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Officials Arrive in Jakarta for Cambodia Talks

BK0711182790 Hong Kong AFP in English 1654 GMT 7 Nov 90

[Text] Jakarta, Nov 7 (AFP)—Senior officials from Australia and the Soviet Union arrived here late Wednesday for talks aimed at restarting an international peace conference on Cambodia. "There is at least another six weeks or two months of work before the final resolution," Australian Deputy Foreign Affairs Secretary Michael Costello said upon his arrival.

Mr. Costello and officials from at least 12 other nations are expected here for the first senior official meeting towards the resumption of the Paris International Conference on Cambodia (PICC), expected next month.

Soviet Deputy Foreign Minister Igor Rogachev, arriving earlier, said the "PICC should be reconvened before the end of this year" despite squabbling within the Cambodian Supreme National Council (SNC) over its leadership.

Mr. Costello arrived from Bangkok after visits to Phnom Penh, Hanoi, and Beijing to sound out opinion ahead of the Jakarta talks.

The talks are due to start Friday to draft an overall peace plan and pave the way for restarting the PICC, which broke down in August 1989 over the question of power sharing.

Also expected to take part in the meeting are officials from the United States, France, Britain, China, Canada, Japan, India, Malaysia, Laos and host Indonesia, as well as a representative of the United Nations secretary general.

"My understanding is that there's a considerable reservation to reconvene the PICC... Unless the members of the SNC can resolve their problems," Mr. Costello said.

The SNC, comprising representatives of the four warring Cambodian factions, was set up in September as part of a UN-brokered peace plan with the purpose of representing Cambodian sovereignty.

Officials said results of the meeting here would be presented to the SNC ahead of a second meeting in Paris later this month which would also decide if and when the PICC could be resumed to endorse and sign the peace plan.

The Chinese chief delegate, Assistant Foreign Minister Xu Dunxin, said on his arrival earlier Wednesday that despite the squabbling in the SNC "we think the prospect for settlement is bright." Mr. Xu said, however, that the SNC should elect its chairman so that it could function properly.

Rubber-Producing Countries Agree on Pricing

BK0711063290 Bangkok THE NATION in English 7 Nov 90 p B2

[By Aphisak Thanasetthakon]

[Text] The six major rubber producer countries have agreed to rely on the price in the Japanese market as their basis in their rubber pricing policy among the members of the International Rubber Organization [IRO]. The proposal will have to be approved by the organization.

Sanit Samoson, director of the Rubber Research Institute, said the four-day meeting of the Association of Natural Rubber Producing Countries (ANRPC), which ended on November 2 in Phuket, agreed to a Thai proposal that IRO should use the rubber price traded in the Japanese market to set up its "must buy" or "may buy" pricing mechanism, currently employed in the Malaysian, Singaporean, London and New York markets. He said the proposal takes into account the falling rubber price in Japan, forcing Thai exporters selling rubber to the Japanese at 47 per cent of the total volume to buy crude rubber from local planters at less than Bt [Baht] 16 per kilo.

The meeting also agreed to elevate the status of the major rubber producing countries, which include Thailand, Malaysia, Indonesia, Sri Lanka and Papua New Guinea. The next meeting in March 1991 in Pupua New Guinea wil be conducted at the ministerial level.

The agenda for the meeting of ANRPC will include reviewing the agency's role in strengthening cooperation among the producing countries, analaysing the market situation and prospects for natural rubber and evaluation of the effectiveness of the organization in the light of the structural changes taking place in the rubber market. Also, ANRPC agreed to form a coordinated marketing system which will act as a mediator in determining the pricing and production volume of rubber and possibly the quota for exports allowed by each producing country.

ABA Head Hopes for PRC, USSR Participation

OW0611142290 Tokyo KYODO in English 1328 GMT 6 Nov 90

[Text] Tokyo, Nov. 6 KYODO—Newly selected Asia Bankers' Asssociation (ABA) President Tetsuya Horie said on Tuesday he hopes China and the Soviet Union will join the Taipei-based body of Asian bankers.

Horie, president of the Long-Term Credit Bank of Japan, was named to a two-year term as ABA head at the association's two-day annual meeting, which ended here on Tuesday. The new ABA chief told reporters after the meeting that efficient financial institutions are needed for the development of financial markets in Asia.

The seventh annual meeting of the organization of 107 banks was attended by about 200 bankers from Asia-Pacific countries. The next meeting is to take place in Kuala Lumpur next fall.

Japan

Delegation Returns From Baghdad With Hostages

Nakasone Statement Upon Arrival

OW0811044890 Tokyo NHK General Television Network in Japanese 0254 GMT 8 Nov 90

[Statement by former Prime Minister Yasuhiro Nakasone at Haneda Airport in Tokyo—live]

[Text] Concerning our current visit to Iraq, we have received warm support from all our people, and, together with members of the Liberal Democratic Party [LDP] delegation, I think we have done our best. Not only has the LDP provided aircraft and various other assistance, delegation members have also done their best for the detainees, bringing with them a total of about 500 comfort bags [imon bukuro], including 300 bags for detainees, as well as medical supplies. With their assistance, we visited Iraq and held long negotiations with President Husyan and others on several occasions, exerting our very best efforts.

Japan has its own position and claims in the world. Sticking to this principle, I maintained that, first of all, all UN Security Council resolutions should be implemented. That is, Iraq must withdraw from Kuwait. Second, since this issue must be settled peacefully, utmost efforts must be made to avoid armed confrontation. Third, all detainees and foreign prisoners of war, known as hostages, must be released immediately.

With these three points as major requests, I negotiated with the other side. The other side seemed to have their own ideas. To sum up their views, they maintained that there should never be two sets of standards for international relations. If annexation or attack is termed undesirable on the basis of standards set for dealing with the current Kuwait issue, then Israeli annexation of and intrusion into the Arab region should never be allowed. Why is it that one side is blamed while the other side is not? They have stated this and other views.

We exchanged ideas and arguments on various points. We agreed on some points but disagreed on others. While each side admitted that we hold different positions, I think that both sides agreed that utmost efforts should be made to avoid leading this tragic situation to war.

Concerning the release of detainees, we have conducted negotiations on several occasions. Thanks to everyone's efforts, in particular the ardent and persevering negotiations by LDP Diet group leader Sato, we feel especially happy that we have been able to help 74 detainees come home. However, there are still 233 people there. These people were very pained at having to say goodbye to those leaving for home. Those who were leaving also seemed truly regretful.

When I take these facts into consideration, I feel strongly and deeply in my heart that we have a responsiblity to effect the return home of a second or third group of detainees. With continued assistance from the party and our people, I think we should all join together in racking our brains to find ways to achieve our demands.

The international situation remains fluid and very serious. However, I would like to focus my attention on the situation and make further efforts so that this unfortunate Gulf crisis can be settled as early as possible. I would like to express my sincerest gratitude to all members, as well as to the LDP delegation's staff; they have done their best, worked very hard, and stayed up almost every night. My thanks also to all who accompanied me on this tour, including Ambassador Nakayama. Thank you very much.

Further on Nakasone Remarks

OW0811083490 Tokyo KYODO in English 0800 GMT 8 Nov 90

[Text] Tokyo, Nov. 8 KYODO—Former Japanese Prime Minister Yasuhiro Nakasone said Thursday he urged Iraqi President Saddam Husayn to take the first step to resolve the Gulf crisis and to withdraw Iraq's troops from Kuwait.

Nakasone also said he did not make any deals with the Iraqi Government to win the release of Japanese nationals detained in Iraq and Iraqi-occupied Kuwait.

Nakasone briefed on his three rounds of talks with the Iraqi leader at a press conference at Tokyo's Haneda Airport. He returned to Japan from Baghdad on a chartered Japan Airlines flight with 74 Japanese who had been trapped in Iraq and Kuwait.

Koko [Takayuki] Sato, deputy secretary general of the ruling Liberal Democratic Party (LDP) who led the party delegation and accompanied the former prime minister, said they did not make any commitments in winning the release of the Japanese hostages.

Nakasone said he and Husayn agreed to avoid military conflict and to make further efforts to achieve a peaceful settlement of the Gulf crisis. According to Nakasone, Husayn displayed a flexible attitude to his demand for a peaceful solution under the umbrella of the United Nations. Husayn said he does not reject a solution that would be viable and endorsed by the U.N., Nakasone said.

Asked about the chances for settling the Gulf crisis, Nakasone said the situation is fluid and that there is a chance of resolving the crisis suddenly.

At the same press conference, Choei Muto, 63, representing the 74 freed Japanese, said he is thankful to again set foot on Japanese soil and expressed hope that the remaining Japanese hostages would be freed as soon as possible.

The 74 Japanese included 25 categorized by the Japanese Foreign Ministry as "hostages," namely those stationed at strategic locations in Iraq and Kuwait as human shields to deter military action by the multinational forces.

After their arrival in Baghdad last Saturday, Nakasone and the LDP delegation held a series of talks with Husayn and National Assembly chairman Sa'di Mahdi Salih, who is in charge of the hostages issue. Throughout discussions, the Japanese have sought the release of all foreign hostages.

There are still a total of 233 Japanese held by Iraqi authorities, including 114 hostages used as human shields to deter military action by the U.S.-led multinational forces.

Nakasone, Sato News Conference

OW0811055590 Tokyo NHK General Television Network in Japanese 0310 GMT 8 Nov 90

[News conference by former Prime Minister Yasuhiro Nakasone and Liberal Democratic Party delegation leader Koko Sato with unidentified reporters at Haneda Airport in Tokyo—live]

[Text] [Reporters' club secretary] First, as secretary of the reporters' club, I would like to ask both former Prime Minister Nakasone and Liberal Democratic Party [LDP] delegation leader Sato a few questions on the current hostage release.

First question for former Prime Minister Nakasone: What was discussed with the Iraqis about the hostages' release, and what about those remaining behind? We have some information on the details from reports filed from Iraq by your press entourage. However, some points still remain unclear. In particular, in agreeing to the current release, have the Iraqis set any conditions or asked that the Japanese Government adopt certain policies? Former Prime Minister Nakasone, please answer first.

[Nakasone] No conditions or anything binding have been set. I would like to ask Mr. Sato to clarify this point later. As the other side suggested that we issue a joint statement, they brought us a draft. However, the draft contained details hardly acceptable to our viewpoint. They also showed us a similar draft during our talks with the chairman and members of the National Assembly; the information minister also showed us his draft. On the whole, the drafts shared a common theme. However, we rejected all these drafts, and no joint statement or press release was worked out. We did not leave any document behind. However, we did mention at the talks that through efforts made by both sides, the issue should be settled, not through armed confrontation, but through peaceful means. We did mention this point. I feel that we must make efforts in this regard. We have not made any commitments beyond this.

[Secretary] I would like delegation leader Sato to address the same question.

[Sato] I was mainly responsible for the negotiations that the former prime minister has just mentioned. It has been reported that some promises or back-room transactions were involved. As has been just stated, many things happened during the talks, right up until the time we were ready to come home. On some occasions, we felt that, although it would be very regrettable, we might have to return home alone.

Nevertheless, as has been stated, since we are a member of the United Nations, we told the other side from the outset that we must abide by UN resolutions. As politicians, we have to be careful not to cause trouble for the Japanese Government or the Foreign Ministry. We have not done anything ambiguous or made any commitment whatsoever. In a humble way, we have continued our own efforts to the end on the basis of our good sense and knowledge as politicians. As a result, we have returned home with 74 fellow countrymen, but not without regrets.

[Unidentified reporter] There are still a considerable number of Japanese hostages and residents in Iraq. Former Prime Minister Nakasone, now that you have visited Iraq, what do you think are the prospects for their release?

[Nakasone] I think the situation is still very serious. Iraq still strongly feels that the danger of war exists. For instance, an influential high-ranking U.S. official is currently visiting Saudi Arabia and her neighbors. The fact is that they tremble on such occasions. Since Japanese residents there daily feel the danger of approaching war...[changes thought] How can I describe it? Protecting their own bodies with magazines...

[Sato, interrupting] They wrap magazines around their bodies as protection from bullets.

[Nakasone] They attach magazines to their chests and other bodily parts to protect themselves from bullets. It is regrettable that their state of mind has thus deteriorated. It is very hard to describe. Or they take measures to prevent windowpanes from shattering. Or they think about the safest place to be and decide on which room to stay in. They have endured experiences that we can hardly imagine. They are in this situation now.

In this connection, I think we should make further efforts so that the Iraqis will agree to send a second and third group home. I feel that with determination we can take measures to create conditions for their return.

[Reporter] Meanwhile, the current mission has also been criticized by the United States as an attempt to disrupt the net around Iraq. What do you think, former prime minister?

[Nakasone] This is not true. We have asked that all UN resolutions be observed. I held three rounds of talks with President Husayn. During the last two rounds of talks, only three of us, including one Japanese interpreter, were present. The president said that if one of the five member nations of the UN Security Council, as well as Japan or Germany, guarantee that there will be no armed confrontations, then all detainees would be released. Well, this has to be studied by the government, in any case.

However, the first thing we must do is ask the Iraqi side to take the peace initiative. I have stressed to the president that since he has made proposals concerning the hostages, he should also take the peace initiative in connection with Kuwait so as to indicate his intentions to the world. Of course, this means withdrawal from Iraq [as heard]. Needless to say, it will take various international mechanisms to achieve this. The Iraqi side frequently mentioned that this should be accomplished through talks among Arab nations or within an Arab framework. When I mentioned that it should also be worked out under UN auspices, they said that such a possibility could not be denied if the talks proceed smoothly with the UN's blessing.

Anyway, a peace initiative on Kuwait should be undertaken in order to create good conditions. This is important to the issue's settlement. If such favorable conditions are created, foreign detainees would probably be released. While taking these points into account, we have exchanged arguments with them. We have not made any statements or issued any press releases that would impose restraints on the Japanese Government. In short, we have not left any documents behind.

[Reporter] My next question concerns this. After a series of talks with President Husayn, do you have any feeling about what prospects exist for settling the Gulf crisis?

[Nakasone] This is my personal opinion. I feel that Saudi Arabia, the United States, and Egypt have been implementing their hardline policy slowly but steadily. Meanwhile, France and the Soviet Union seem to want to avoid war one way or another, but it remains unknown what approach they would take at the last moment. I feel that it is now developing moment by moment into an urgent situation. With the situation moving in this direction, it also indicates that there is a good chance that the issue will be settled once and for all. In this sense, I feel that it will be necessary for us to closely watch developments, gather information, and do what we must do while staying in touch with friendly nations.

Sato; No Bargaining With Iraq

OW0811014090 Tokyo KYODO in English 0126 GMT 8 Nov 90

[Excerpts] Bangkok, Nov. 8 KYODO—A group of 74 Japanese nationals released from detention in Iraq will arrive at Tokyo's Haneda Airport shortly before noon Thursday, official sources said.

A specially chartered Japan Airlines flight carrying the freed hostages along with former Prime Minister Yasuhiro Nakasone and a delegation of the ruling Liberal Democratic Party (LDP) left Bangkok early Thursday for home. They made a stopover here for refueling on their flight from Baghdad. [passage omitted]

Koko Sato, leader of the LDP delegation, said at a press conference in Bangkok that no bargaining took place to gain the release of the Japanese hostages. Sato said Japan will dispatch missions as many times as necessary to gain the release of all hostages and settle the Gulf crisis peacefully.

The freed 74 Japanese included 25 hostages who have been detained at strategic facilities across Iraq to deter attacks from the multinational forces in the Gulf, as well as 47 Japanese nationals in Iraq and two in Kuwait who were unable to return to Japan following the Iraqi invasion and annexation of Kuwait in early August.

In a separate interview before departing Baghdad on Wednesday, Sato said at one time he felt it was hopeless to get a positive response from Iraq. But he said there was no bargaining and no joint declaration signed between the two nations, as initially proposed by Iraq. "We do not recognize Iraq's action. We abide by the resolutions adopted by the United Nations," calling for economic sanctions against the Iraqi aggression, Sato said. The series of talks held between Nakasone and Iraqi authorities "do not mean we recognize Iraq's stance," Sato said. "It means that we engage in specific issues while shelving the Iraq's position," he said.

More on Sato Comments

OW0811102990 Tokyo NHK General Television Network in Japanese 0259 GMT 8 Nov 90

[Statement by Takayuki Sato, deputy secretary general of the Liberal Democratic Party, at a press conference held at Tokyo's Haneda Airport upon returning from Iraq with 74 Japanese hostages—live]

[Text] I am Sato, and I served as head of the Liberal Democratic Party [LDP] delegation. We were able to return somehow, thanks to the support of all my fellow delegation members. Since former Prime Minister Nakasone has just made a general address, I would like to confine myself to clarifying some misunderstandings and incorrect information I noticed in the papers I read on the plane.

The first point deals with the final number of released hostages, 74. The papers said 77 people would be released. This is because the manager of Marubeni's Baghdad branch, Mr. Tofukuji, and three others chose to remain in Iraq out of their sense of responsibility to supervise their subordinates at any cost. [figures as heard] These individuals hold official positions in the Association of Japanese Residents in Iraq. The four were on a list of hostages to be released, but they volunteered to remain. Last night, I asked Iraqi National Assembly Speaker Sa'di for a meeting, and explained to him that the four had requested to remain in Baghdad for various reasons. I said that these people are very precious individuals who support the present Japanese economy.

I requested that they be replaced according to their recommendations. The speaker was quite impressed by this, and immediately called the president.

I am sorry about the issue of Mr. Takeshi Nagao. At the first meeting, Speaker Sa'di said that the guests were all treated well. I told him that, as a matter of fact, this was not always the case. I noted some variances. Japanese hostages have sent letters home through French and British hostages who were released earlier. These letters are now arriving in Japan. Mr. Nagao's letter is one, and he notes that he was taken to a hospital by ambulance due to appendicitis. He is far from being healthy. We requested that such people be released as soon as possible for humanitarian reasons. We also presented to the Iraqi side a diagnosis prepared by a doctor and his letter translated into English.

At a plenary meeting the next day, the Iraqi side said that Mr. Nagao would be given priority consideration for inclusion on the list of 74 persons. I described the circumstances at a press conference, and the news media reported that he would be the first to be released. No one should be blamed for the misunderstanding. A senior Foreign Ministry official called on me at the guest house yesterday immediately before our departure for Japan. He said that he was very sorry about the mistake and asked for my understanding. He said that he would take appropriate measures to care for Mr. Nagao.

In any case, everyone supported me—this incompetent leader—during the short visit. No one fell sick, and we stayed up almost all night, every night, for negotiations with the Iraqi side.

I read a certain newspaper with a headline saying that the former prime minister appreciated the Iraqi side. What is meant by the word appreciation is ... [changes thought] Mr. Nakasone met with President Husayn for a total of four and one-half hours. He met the Iraqi president on three occasions. The speaker and I also met three times. When we asked for meetings with respective persons in charge, they never once rejected our requests.

Since we did not know when they would find the time or would make appointments to see us, former Prime Minister Nakasone and our delegation members one day had nothing to eat but instant noodles, which we had brought for the hostages. We ate instant noodles for both lunch and dinner one day. We did not sightsee or window shop. We did everything in our power to meet the people's expectations. However, we cannot be satisfied with the results. When we think about our fellow countrymen left behind, our hearts ache. However, we will continue to do our best for their earliest possible release, while exercising adequate caution not to go against the three principles mentioned by the former prime minister.

I express my heartfelt thanks to you for your support. Thank you very much.

Democrat Victory May 'Aggravate' Ties With U.S.

OW0711123890 Tokyo KYODO in English 1219 GMT 7 Nov 90

[Text] Tokyo, Nov. 7 KYODO—Additional congressional seats won by the Democratic Party in the mid-term U.S. elections held earlier in the day could aggravate Japan-U.S. relations in the financial and trade sectors, government officials said Wednesday.

Democratic legislators, who are seen as being more protectionist than their Republican counterparts, would put pressure on the Japanese to open further their rice and financial markets, the officials said. They warned that relations between the two countries, which have been relatively calm in recent months, could take a turn for the worse since the new Democratic lawmakers, along with their incumbent colleagues, are expected to take a harsh stance against Japan.

The thorniest issue seen confronting the two countries is the rice problem. "It will be inevitable that the U.S. will turn up the heat on Japan to further pry open its rice market" since it is under enormous pressure to come up with a successful conclusion to the Uruguay Round of multilateral trade talks by the December deadline, said an official at the Ministry of Agriculture, Forestry and Fisheries. If the U.S. does not get the concessions it wants on farm trade at the end of the round held under the auspices of the General Agreement on Tariffs and Trade (GATT), it is expected to try to force open Japan's rice market through bilateral talks, he said.

Additional Democratic congressional lawmakers could heighten tensions between the two countries in the financial arena as well, by helping Congress push through a bill seeking reciprocal treatment for U.S. banks and brokerage houses in Japan. The fair trade in financial services bill, which was rejected before reaching the Senate in late October, could win approval if Congress decides to review the matter again next January. "Passage of the measure will undoubtedly stoke up ill will between the two countries over Japan's financial market," said an official with the Finance Ministry. "I have no doubt that the U.S. Government will take a tough stance" on Japan's paper products distribution system and its government's procurement of computers, a Foreign Ministry official [said].

The officials also say the Democratic-led Congress will step up pressure on Japan to shoulder a greater portion of the costs needed to maintain U.S. troops stationed there, given the towering U.S. budget deficit. But Chief Cabinet Secretary Misoji Sakamoto said he did not know whether the outcome of the election will lead to greater friction between the two countries.

Businessmen View U.S. Elections

OW0711132090 Tokyo KYODO in English 1257 GMT 7 Nov 90

[Text] Tokyo, Nov. 7 KYODO—Japan's business leaders generally voiced concern Wednesday that the results of the mid-term U.S. elections would mean greater political and economic pressure from the United States.

The U.S. Democratic Party picked up congressional seats in the elections held earlier in the day.

Eiji Suzuki, president of the Japan Federation of Employers' Associations (Nikkeiren), said electoral victory by the protectionist-prone Democratic Party could further intensify anti-Japanese sentiments among U.S. legislators. "I think Japan needs to step up efforts for more international contribution," Suzuki said. He said it is especially important to faithfully implement the agreement recently reached between Japan and the United States aimed at removing barriers to trade and investment.

Takashi Ishihara, president of the Japan Association of Corporate Executives (Keizai Doyukai), also said there is a possibility that Japan may face harsher criticism from the U.S over its political response to the Persian Gulf crisis.

Rokuro Ishikawa, chairman of the Japan Chamber of Commerce and Industry, also stressed the need for increased attention toward congressional movements. Ishikawa said he will try his best to communicate with his American counterparts when he visits the U.S. late this month.

DPRK Delegation To Visit in Mid-Dec

OW0711135790 Tokyo KYODO in English 1312 GMT 7 Nov 90

[Excerpt] Tokyo, Nov. 7 KYODO—A delegation from the ruling (North) Korean Workers Party (WPK) will visit Japan in mid-December at the invitation of the Japan's ruling Liberal Democratic Party (LDP) and the Japan Socialist Party (JSP), party sources said Wednesday.

Kim Yong-sun, secretary of the WPK in charge of international affairs, will head the delegation, the sources added. Kim will be the highest-ranking North Korean official ever to visit to Japan.

The formal invitation will be extended when Kazuo Aichi, director general of the LDP's International Bureau, meets with Hyon Song-chin, an official of the WPK's International Affairs Bureau, in Tokyo on Thursday. While in Japan, Kim will meet Prime Minister Toshiki Kaifu, Foreign Minister Taro Nakayama, former Deputy Prime Minister Shin Kanemaru, and LDP Secretary General Ichiro Ozawa, the sources said. [passage omitted]

VNA Opens Bureau in Tokyo 7 Nov

OW0711155890 Tokyo KYODO in English 1303 GMT 7 Nov 90

[Text] Tokyo, Nov. 7 KYODO—VIETNAM NEWS AGENCY (VNA) opened a bureau in Tokyo Wednesday and launched its first dedicated communications circuit for news transmission with a Western-aligned country.

The opening was celebrated at an inaugural party at a Tokyo hotel attended by Vietnamese Ambassador to Tokyo Vo Van Sung and VNA General Director Do Phuong.

Nguyen Dai Phuong is to head the Tokyo bureau.

In Asia VNA also maintains bureaus in Beijing and New Delhi.

Government To Convene Diet 'Around 10 Dec'

OW0711133390 Tokyo KYODO in English 1214 GMT 7 Nov 90

[Text] Tokyo, Nov. 7 KYODO—The government and the ruling Liberal Democratic Party (LDP) plan to convene the ordinary session of the Diet around December 10 after the current monthlong extraordinary session ends on Saturday, government and party sources said Wednesday.

The ordinary Diet session is customarily called in late December and lasts for 150 days.

Government and LDP leaders, however, are considering convening the Diet earlier than usual to seek the passage of a fiscal 1990 supplementary budget by the end of this year. The government and the LDP also want to enact as soon as possible an alternative plan to the government-proposed United Nations cooperation bill, which is certain to be killed in the current Diet session due to strong opposition objections, according to the sources.

The LDP has a comfortable majority in the powerful lower house but the opposition camp is dominant in the upper house. The bill needs approval by both houses to become law. The bill, designed to create a U.N. Peace Cooperation Corps which would include noncombat members of the Self-Defense Forces to help international peacekeeping efforts, has also drawn fire from some Asian countries, victims of Japan's aggression before and during World War II. The LDP leadership, however, wants to swiftly specify alternative measures to those proposed in the bill, including the dispatch of personnel to troubled regions, in order to fulfill international responsibilities commensurate with Japan's economic power.

Meanwhile, discussions at the lower house's special committee on the U.N. cooperation bill were stalled on Wednesday afternoon. The LDP members of the committee called for a vote on the bill while the opposition members demanded further debate. Representatives from ruling and opposition parties have continued on-and-off negotiations on a committee schedule.

Loan Extended to Papua New Guinea

OW0711020090 Tokyo KYODO in English 0138 GMT 7 Nov 90

[Text] Tokyo, Nov. 7 KYODO—The government extended a loan of up to 11.87 billion yen to Papua New Guinea on Wednesday to help that country build and repair roads and carry out plans for improved farm productivity, the Foreign Ministry said.

Notes on the aid were exchanged in Port Moresby, the capital of Papua New Guinea, situated to the east of Indonesia. Repayment of the loan, which carries an interest rate of 2.7 percent per annum, will be spread over 30 years, including a grace period of 10 years.

Mitsui, Union Carbide Plan Ethylene Glycol Firm

OW0711010190 Tokyo KYODO in English 1501 GMT 6 Nov 90

[Text] Tokyo, Nov. 6 KYODO—Mitsui and Co., a major Japanese trading house, said Tuesday it will form a joint venture in Canada next March to produce ethylene glycol (EG) with a subsidiary of Union Carbide Corp. of the United States.

Two Taiwanese firms also will have a stake in the new firm, to be called Alberta and Orient Glycol Co., Mitsui officials said. Mitsui called on Taiwan's Oriental Union Chemical Corp., an EG producer, and Far Eastern Textile Ltd., a polyethylene maker, to put up capital for the venture since much of the firm's products will be destined for the Asian market.

Union Carbide will have a 50 percent stake while Mitsui and the Taiwanese firms will hold 25 percent each in the firm, which will be capitalized at 120 million Canadian dollars. Union Carbide Chemicals and Plastics Co., a subsidiary of the world's largest producer of EG, will plan the additional EG production facilities. The venture will exercise control over operations, the officials said.

Bank Says More Technological Researchers Needed

OW0711090890 Tokyo KYODO in English 0806 GMT 7 Nov 90

[Text] Tokyo, Nov. 7 KYODO—An expected shortage of researchers into new technologies may dampen corporate enthusiasm for investment in research and development and eventually affect the nation's economy, the Bank of Japan warned in a report Wednesday.

The central bank's figures show the number of graduate students in science fields who got jobs in research and development areas grew by an average 6.6 percent a year between 1966 and 1975. But the growth rate in 1986 to 1988 declined to only 1.5 percent. The bank said capital investment is expected to continue fueling the nation's economy.

Currently, investment is particularly centered on creation of value-added, high-tech products, unlike during the previous economic boom between 1965 and 1970 when investment was concentrated in mass production infrastructure.

Research and development is important in a broad range of industries from manufacturers of high-tech products such as large-scale television sets for satellite broadcasting and value-added motor vehicles, home electric appliances, and precision instruments to biotechnology fields in the chemicals industry, the central bank said.

The bank concluded that it will become important for institutions and corporations now to secure science students and technicians.

Mongolia

Leaders Greet USSR on Revolution Anniversary

OW0711043590 Ulaanbaatar International Service in English 0910 GMT 6 Nov 90

[Text] Mongolian President, Punsalmaagiyn Ochirbat, and Chairman of the Mongolian People's Revolutionary Party Central Committee, Gombojabyn Ochirbat, have congratulated Soviet President and Communist Party leader Gorbachev on the national day of the Soviet people, the 73d anniversary of the Great October Socialist Revolution. The message says that the Mongolian people deeply (?realize) the significance of friendship and cooperation with the Soviet Union and are fully determined to further develop Mongol-Soviet relations in the spirit of new times and new thinking.

The Mongolian leaders wished happiness, development, and prosperity to the Soviet people, great successes in the process of perestroyka, and consolidation of overall peace and cooperation.

Trade Agreement Signed With South Korea

OW0511043990 Ulaanbaatar International Service in English 0910 GMT 1 Nov 90

[Text] In Seoul, South Korea, the delegation of the South Korean Corporation of Promoting Trade and the Mongolian Trade and Industrial Chamber have signed an agreement on bilateral trade and economic cooperation. According to a South Korean official the agreement will [words indistinct] the great economic extremes between the two countries.

Mongolia will basically export (?fuel), various kinds of mineral raw materials, and foodstuffs. It plans to import from South Korea tractors, automobiles, engines, electronic and electric appliances, assorted fertilizers, and clothes.

State Bank Receives 50 Million-Franc Loan

OW0511043490 Ulaanbaatar International Service in English 0910 GMT 1 Nov 90

[Text] The State Bank of Mongolia has signed a credit agreement with the Paris National Bank. According to this agreement, the Bank of Mongolia will be granted a 50 million-franc loan for promoting the development of commerce and cooperation between the two countries. The loan will be used basically for buying some equipment from France.

Ochirbat Meets Youth, Regrets Unemployment

OW0511043190 Ulaanbaatar International Service in English 0910 GMT 2 Nov 90

[Text] President Ochirbat of Mongolia has met with representatives of youths of the Mongolian capital, Ulaanbaatar. The President noted that the soonest introduction of new work methods, acquisition of profound knowledge, and elimination of parasitical psychology will bring us to new heights of social development.

He voiced regret over the great number of joblessness among urban youth despite the shortage of 30,000 livestock breeders in the countryside. The state does everything for the youths and they in their turn should take an active part in creative endeavors for the service of the country, said the president.

Changes in Railway Administration Demanded

OW0711004690 Ulaanbaatar International Service in English 0910 GMT 3 Nov 90

[Text] The branch of the Mongolian Democratic Union at the Mongolian Railways has urged the resignation of the Ulaanbaatar Railway leadership. The Ulaanbaatar Railway is a Mongol-Soviet joint stock organization, founded in 1949. According to the Democratic Union [words indistinct] military-type regime exists at the joint stock organization, whose leaders resort to dictatorial methods in managing its thousands of workers, whose vital interests are flagrantly violated.

The Ulaanbaatar Railway's basic assets stand at 4.3 billion tugriks. There is no record of the organization's revenues and (?nothing is clear) as to what the duties and the responsibilities of the equity partners are and what they would be in the future. In view of this, the Democratic Union has urged the revision of the 1949 agreement on founding the organization and wholesale resignation of its leadership.

North Korea

Dailies Denounce U.S.-ROK 'Eagle 90' Exercises

SK0811045390 Pyongyang KCNA in English 0432 GMT 8 Nov 90

[Text] Pyongyang November 8 (KCNA)—NODONG SINMUN and MINJU CHOSON today lambaste the large-scale "Eagle 90" joint military exercises against the northern half of Korea started by the U.S. imperialists and the South Korean puppets on November 2 with the mobilisation of forces hundreds of thousands strong and military hardware.

The news analyst of NODONG SINMUN says:

The very dangerous military exercises launched again by the U.S. imperialists and the South Korean puppets for a surprise attack on our republic has pushed the situation on the Korean peninsula to a more acute phase.

At the two rounds of inter-Korean high-level talks we, attaching essential importance to the removal of the political and military confrontation between the North and the South, put forward reasonable proposals in this regard and laid particular emphasis on adopting a nonaggression declaration between the North and the South and solving the question of peace in the country and its reunification on this basis.

The South Korean authorities talked about "confidence building" and "detente" when they sat face to face with us. But, after parting with us, they are staging war exercises against us jointly with the U.S. imperialist aggression forces. This is an intolerable challenge to the desire of the fellow countrymen who are longing for detente, peace and reunification and a criminal provocation casting a dark shadow over the North-South dialogue.

The hysteric "Eagle 90" joint military exercises of the U.S. imperialists and the South Korean puppets are deliberate manoeuvrings to threaten the South Korean students and people who are vigorously rising in the struggle for independence, democracy and reunification and divert elsewhere their attention and thus bridge over the political crisis.

A commentary of MINJU CHOSON charges that the wildcat war exercises of the U.S. imperialists and the puppets go against the trend of the time toward detente and peace and they are a vicious challenge to our people who are desirous of national reconciliation, unity and reunification.

'Landing' Exercise Denounced

SK0811103090 Pyongyang KCNA in English 1020 GMT 8 Nov 90

[Text] Pyongyang November 8 (KCNA)—The U.S. imperialist aggressors and the South Korean puppets staged from Nov. 4 to 6 an adventurous exercise of landing operation aimed at attacking the northern half of the country as a part of the criminal "Eagle 90" joint military exercises, according to a military source.

The landing operation was started all at once from 11:00 of Nov. 4 in the waters off Pohang similar to the northern half of the country in topography.

The operation was aimed at increasing the combat capacity of "commando" units of the U.S. imperialists and the South Korean puppets for suddenly landing in our area from waters, infiltrating deep into its interior and making a surprise attack on and "destroying" main targets at one stroke.

This hysteric war gamble is a premeditated provocation to lay an artificial obstacle to the reunification dialogues and render the situation of the Korean peninsula more strained.

U.S. Said Throwing 'Wet Blanket' Over Dialogue

SK0811050890 Pyongyang KCNA in English 0450 GMT 8 Nov 90

[Text] Pyongyang November 8 (KCNA)—The South Korean authorities will reportedly stage a military exercise codenamed "Shield 90" in Seoul and its vicinity on November 8 and 9.

It will be participated in by puppet army units, police and the "homeland defence reserve forces" 440,000 strong in all.

As reported already, the U.S. imperialists and their stooges are now staging the "Eagle 90" joint military manoeuvres throughout South Korea for ten days beginning from November 2. Besides, the South Korean authorities are going to stage another war gamble in Seoul and its vicinity with the mobilization of huge armed forces. This fact clearly shows how desperately they are trying to throw a wet blanket over the North-South dialogue for reunification, lull the sentiments for reunification ever growing among the South Korean people and foster confrontation.

Paper Demands U.S. Move 'To Defuse Tensions'

SK0811104190 Pyongyang KCNA in English 1014 GMT 8 Nov 90

[Text] Pyongyang November 8 (KCNA)—NODONG SINMUN today demands that the U.S. Government take practical steps to defuse tensions on the Korean peninsula in keeping with the worldwide trend toward disarmament and detente and boldly renounce its Korean policy behind the times.

Noting that the U.S. imperialists' occupation of South Korea and their splittist policy are a challenge to the desire of mankind to lead a peaceful life and an act putting a spoke in the wheel of world peace and detente, the signed article says:

If the United States truly wants detente and peace, it must realise, disarmament on the Korean peninsula where the danger of nuclear war is most threatening and withdraw its forces and nuclear weapons from South Korea. The U.S. troop pullout from South Korea is an urgent demand for improving the situation in the Asia-Pacific region and consolidating world peace.

The U.S. occupation of South Korea and its war policy are the root cause of the heavy burden and sufferings inflicted upon the American people.

The United States would be wise to withdraw of its own accord before it is ignominiously driven out by the South Korean people.

If the United States pulls its forces out of South Korea, it will get rid of bitter criticism and denunciation for its occupation of South Korea in the international arena.

The paper continues:

If a peace agreement between the DPRK and the U.S. is signed through DPRK-U.S. talks or tripartite talks and nonaggression declaration between the North and the South is adopted, a new phase will be opened for disarmament, detente and the peaceful reunification on the Korean peninsula.

The United States, a party directly responsible for the Korean question, should not persist in the plot to create "two Koreas" but play a positive role in the realisation of Korea's reunification.

If the United States pulls its forces out of South Korea, it will be helpful to peace in Korea and her peaceful reunification and to the guarantee of a durable peace worldwide and this will be welcomed by the Korean people and the world people including the U.S. people.

CPRF Says ROK-U.S. 'Must Stop' Provocations

SK0711113590 Pyongyang KCNA in English 1019 GMT 7 Nov 90

[Text] Pyongyang November 7 (KCNA)—The U.S. imperialists and the South Korean puppets must stop all their war exercises and military provocations and withdraw the U.S. Forces and nuclear weapons from South Korea at an early date before they face stronger condemnation and rejection by the times, all the fellow countrymen and the world's peaceloving people, warns the Secretariat of the Committee for the Peaceful Reunification of the Fatherland [CPRF] in its information No. 575 today.

Recalling that they infiltrated a combatant ship deep into the coastal waters off Tungsan Cape of our side in the West Sea of Korea on November 1, committed aerial espionage on the northern half of Korea on more than 180 occasions in October alone and staged large-scale actual war exercises for increasing capabilities of attack on the North including "a parachuting exercise for commando infiltration," the information says:

This is an unpardonable challenge to our nation's unanimous desire to remove the military confrontation on the Korean peninsula and guarantee peace and security of the country and achieve peaceful national reunification through contact and dialogue between the North and the South.

Although the U.S. imperialists and the South Korean puppets are loud-mouthed about "detente," "dialogue" and "peace" they do not want them and, their real intention is to prolong only the state of confrontation and tension and thus invent a pretext for the presence of the U.S. Forces and deployment of nuclear weapons in South Korea and keep hold on South Korea for an indefinite period as a military base, a nuclear base of U.S. imperialism.

They are engaged only in war exercises and military provocations against the trend of the times and it will only shed a revealing light on their heinous color as war fanatics flinging the gauntlet against mankind.

Committee Sets Month for Supporting Confederation

SK0711103790 Pyongyang KCNA in English 1011 GMT 7 Nov 90

[Text] Pyongyang November 7 (KCNA)—The participants in the enlarged meeting of the Emergency Executive Committee of the International Liaison Committee for the Reunification and Peace of Korea (Cilreco) which was held in Paris in November last year set every October from 1990 as a month of support to the proposal for founding a democratic confederal republic of Koryo for Korea's [DCRK] reunification and decided to launch a large-scale campaign to widely introduce, propagandize and support this proposal.

Accordingly, solidarity functions supporting the proposal for founding the DCRK were widely held in October last on a global scale.

A world conference for one reunified Korea by means of founding the democratic confederal republic of Koryo was held in Paris with the attendance of delegations and delegates of 110 governments, parliaments, political parties, public organisations, solidarity organisations with the Korean people and figures of all strata from 79 countries and delegates of 7 international organisations.

The conference summed up the international solidarity movements held in support of Korea's reunification by means of founding the DCRK and discussed future tasks. It appealed to all the countries to set up solidarity organisations and committees supporting the proposal for founding the DCRK and actively turn out in the efforts to unite behind them people of all walks of life supporting the cause of Korea's reunification and widely launch signature campaigns.

Scholars and community activists of Denmark, Germany, Austria, Sweden and Italy held an international seminar on the prospect of the peaceful reunification of Korea at Roskilde University, Denmark.

Opening meeting, seminars, lectures and other diverse solidarity functions on the month of support to the DCRK founding proposal were held in succession in Pakistan, India, Madagascar, Ethiopia, Finland, Peru and other countries amid deep interest of political and public figures.

Brisk signature campaigns were conducted in many countries in support of the proposal.

More than one million people of broad strata participated in the signature campaign supporting the DCRK founding proposal in Kampala, Lugazi and Masindi regions of Uganda.

Governments, political parties and public organisations of many countries in the world, bodies of international and regional organisations for solidarity with the Korean people and figures of all strata published statements, appeals and press statements on the occasion of the month of support to the proposal for founding the DCRK, thereby actively rousing public opinion in support of the proposal of confederation.

World press widely introduced and propagandized the DCRK founding proposal and its validity.

N-S Red Cross Contact in Progress at Panmunjom

SK0811014290 Pyongyang Domestic Service in Korean 0110 GMT 8 Nov 90

[Text] This is a report filed from Panmunjom.

The eighth contact between working delegations from the North and South Red Cross organizations is now in progress in camera at the conference room of the Neutral Nations Supervisory Commission at Panmunjom. They are to discuss and settle the issue of the second exchange of art troupes and home-visiting groups and the issue of resuming the full-dress round of North-South Red Cross talks.

A large number of domestic and foreign correspondents have come to Panmunjom to cover the talks.

Three delegates from our side, including head of the delegation Pak Yong-su, are in attendance at the meeting. Three delegates from the South side are also in attendance.

The contact continues.

Delegate Reports on Contact

SK0811110990 Pyongyang KCNA in English 1032 GMT 8 Nov 90

[Text] Panmunjom November 8 (KCNA)—The 8th North-South Red Cross working-level contact was held in camera at the conference room of the Neutral Nations Supervisory Commission in Panmunjom today.

After the contact the head of our side's delegation gave a news briefing to home and foreign reporters.

He recalled that the seven rounds of working-level contact which were held last year could reach a stage of virtual conclusion of the discussion of the problems on the agenda by the joint efforts of the two sides, but the

South side unreasonably delayed the adoption of an agreement, taking issue with the programme of our art performance.

As for the opera "The Flower Girl", it offers no problem in its content and it fully conforms with all provisions of the principle as regards the content and form of the art performance agreed upon by the sides, the head of our side's delegation stressed.

He said he expects the South side would sincerely accept the "The Flower Girl", the programme of our side's art performance, which entirely conforms with the principle of the content and form of the art performance already agreed upon and which offers no problem at all and thus bring joy to the entire fellow countrymen and separated families and relatives who are watching the contact.

Daily Lauds Soviet October Socialist Revolution

SK0711233390 Pyongyang Domestic Service in Korean 0010 GMT 7 Nov 90

[NODONG SINMUN 7 November editorial: "The 73d Anniversary of the Great October Socialist Revolution"]

[Text] Today marks the 73d anniversary of the victory of the Great October Socialist Revolution in Russia.

Seventy-three years ago today, the Russian working class, under the leadership of Lenin and the Bolshevik Party, won victory in the socialist revolution after overthrowing the antipopular despotic Czarist system.

The October Socialist Revolution was a historic event which has brought fundamental changes to the lives of the Russian working class and people. Thanks to the October Revolution, the working masses, such as workers and peasants who deplored the capitalist fetters, have become for the first time the masters of their own country and society. A new type of a socialist state that defends their interests was created, and a road was opened for the working masses to build a new society free from exploitation and suppression, while exploring their fate on their own.

The October Revolution not only has dispelled the myth that capitalism is everlasting, but also has opened a new era of epoch-making changes—the transition of mankind from capitalism to socialism.

Because of the October Revolution, a hole was made in the capitalist (?front) for the first time in history, world capitalism received a profound blow, and a new history began, causing the world's working class and working masses to rise up and struggle for class liberation and national liberation.

The October Revolution's victory was an immortal contribution of global historical proportions made by Lenin, the Bolshevik Party, and the Russian working class to the exploited and oppressed nations.

Following the October Revolution, the Soviet people staged an arduous struggle to defend, consolidate, and develop socialism under the leadership of the CPSU.

Soviet socialism is a noble fruition which the Soviet people achieved with blood and sweat from generation to generation.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the party Central Committee, has noted: The revolutionary cause of the working class will continue to advance victoriously under this leadership, not just yesterday and today, but also tomorrow.

The working class' revolutionary struggle is explored by its leader and victoriously advances. Had it not been for Lenin, the leader of the working class—who introduced Leninism, the theory, strategy, and tactics for the proletarian revolution during the era of imperialism by creatively developing Marxism, and who summoned the Russian working class to a revolutionary struggle for socialism—the October Revolution would have failed, and the world's first socialist state would not have been created.

The development of world socialism following the October Revolution has clearly proved once more the truth that the leader plays a decisive role in implementing the revolutionary cause of the working class.

History has advanced even further since the day the October Socialist Revolution was victorious. The longtime international struggle between socialism and capitalism, however, not only continues, but becomes more fierce each day.

The imperialists, apprehensive about the growing might of socialism, have left no means untried to obliterate socialism. In particular, they recently have been clinging desperately to a strategy of peaceful transition designed to undermine socialism. They are trying to revive capitalism and strangle socialism by paralyzing the people's revolutionary consciousness with their ideological and cultural infiltration, by using economic aid to buy them, and are fostering social and political chaos by instigating anti-socialist elements.

Because of this, unexpected, complicated events have taken place in several countries, and the people's socialist cause faces a serious challenge.

The imperialists' attempts to block socialism from developing and to steer it back to the capitalist road is antihistorical, antipopular, and a foolish pipe dream.

What imperialists, the reactionaries of history, seek to achieve is to maintain the old society, in which the exploitation and oppression of men take center stage, while the popular masses, the driving force of history, aspire to build a new society free from exploitation and oppression, in which all people enjoy an independent, creative life by becoming the masters of the state and society, as well as the masters of their own fate.

Since the socialist road is untrodden, when socialism advances it encounters difficulties and short-lived twists and turns. The development of human society from capitalism to socialism is an unviolable law of history. Only by taking the socialist road can we realize mankind's common ideal to live in an independent and peaceful world free from domination and subjugation, free from aggression and war.

As history demonstrates, the international reactionaries' antisocialist maneuvers did not just begin today, and socialism has advanced and triumphed amid a fierce struggle against the reactionaries.

Socialism will unquestionably continue to advance, overcoming all obstacles and difficultes laid in its path, and that it will be victorious.

The future undoubtedly holds victory and glory for the people, who advance and struggle with faith in the just cause, conviction for the future, and revolutionary optimism, overcoming difficulties.

The Leninist banner, the October banner, will shine forever in the hearts of the working class and working masses, who aspire for independence, freedom, and progress and oppose exploitation and oppression.

Wreath Layings Mark Revolution

SK0711111690 Pyongyang KCNA in English 1026 GMT 7 Nov 90

[Text] Pyongyang November 7 (KCNA)—Wreaths were laid before the liberation tower today by the Central Committee of the Workers' Party of Korea, the Central People's Committee of the DPRK, the Administration Council, commissions and ministries of the Administration Council, friendship organization and party and power organs, administration and economic bodies in Pyongyang on the occasion of the 73rd anniversary of the Great October Socialist Revolution.

Present there were chairman of the Supreme People's Assembly Yang Hyong-sop, officials concerned, Soviet Ambassador to Korea Gennadiy Bartoshevich and other foreign diplomatic envoys here.

Amid the wreath-laying music, wreaths were laid in joint name of the C.C. [Central Committee], the WPK, the Central People's Committee and the Administration Council, in the name of the Ministry of People's Armed Forces, the Ministry of Foreign Affairs, the Fisheries Commission, the Ministry of Foreign Trade, the Ministry of External Economic Affairs, the Committee for Cultural Relations with Foreign Countries, the C.C., the General Federation of Trade Unions and the C.C., the Korean-Soviet Friendship Society and in joint name of the Pyongyang Municipal Committee of the WPK, the Pyongyang Municipal People's Committee and the Pyongyang Municipal Administration and Economic Guidance Committee.

Working people in the city put bunches of flowers before the tower.

Ministries of the Administration Council, friendship organization and party and power organs and administration and economic bodies in Pyongyang also laid wreaths in the Cemetery of Soviet Army Officers and Men in Sadong District, Pyongyang.

Working people in Sadong District put bunches of flowers in the cemetery.

The Soviet Embassy also laid wreaths before the tower and in the cemetery today.

Japanese Participation in Korean War Cited

SK0811102390 Pyongyang KCNA in English 1003 GMT 8 Nov 90

[Text] Tokyo November 6 (KNS-KCNA)—The Japanese ASAHI SHIMBUN November 5 exposed the fact that "Japanese special minesweeping parties" had participated in the Korean war started by the U.S. imperialists.

The sea-clearing parties of 1,200 men organized under the "maritime safety agency" went to the Korean waters in secrecy in the early days of the war at the request of the U.S. Navy, said the paper.

Noting that the minesweeping parties operated in the sea off Wonsan and Inchon, the paper said:

The minesweeper "M.S.-14" exploded in the sea off Wonsan, in which nineteen men were killed or wounded. But the fact was concealed "because, if their death in the Korean war was disclosed, it would give rise to an international problem".

Yi Chong-ok Meets PRC Trade Union Delegation

SK0711225190 Pyongyang KCNA in English 1513 GMT 7 Nov 90

[Text] Pyongyang November 7 (KCNA)—Vice-President Yi Chong-ok today met and had a friendly talk with a delegation of the All-China Federation of Trade Unions headed by Yu Hongen, its vice-president and first member of its Secretariat, at the Mansudae Assembly Hall.

Present there were Vice-Chairman of the Central Committee of the General Federation of Trade Unions of Korea Kim Kuk-sam and a councillor of the Chinese Embassy here.

WPK Greets Foreign Leaders, Parties

SK0511102590 Pyongyang KCNA in English 0959 GMT 5 Nov 90

[Text] Pyongyang November 5 (KCNA)—The Central Committee of the Workers' Party of Korea [WPK] sent messages to parties and party leaders of different countries in reply to their messages of greetings on the occasion of the 45th founding anniversary of the WPK.

Among them are the Central Committee of the Communist Party of China; the Central Committee of the Mongolian People' Revolutionary Party; the Central Committee of the Communist Party of Vietnam; K.P. de Silva, general secretary of the Central Committee of the Sri Lanka Communist Party; Sirima R.D. Bandaranaike, opposition party leader of the Democratic Socialist Republic of Sri Lanka and president of the Central Committee of the Sri Lanka Freedom Party; the Central Committee of the All-People's Congress of Sierra Leone; the Central Committee of the Congolese Party of Labour; the Central Executive Committee of the People's National Congress of Guyana; the Central Committee of the Dominican Communist Party; Chairman Jose Gonzalez Espinosa, secretary General Esteban Diaz Jaquez and international secretary Jose Oviedo Landeutoy of the Central Committee of the Dominican Labour Party; the National Committee of the Communist Party of the United States of America; General Secretary Trino Melean and Secretary of International Relations Pedro Ortega Diaz of the Central Committee of the Communist Party of Venezuela; Guillermo Garcia Ponce, general secretary of "new alternative" of Venezuela; the Central Committee of the Communist Party of Canada; Carlos Gallisa, general secretary of the Central Committee of the Puerto Rican Socialist Party; Reinaldo Gargano, secretary-general of the Central Committee of the Socialist Party of Uruguay; Tore Anders Nilsen, chairman of the Central Committee of the Norwegian Communist Party; Jean Spielmann, general secretary of the Workers' Party of Switzerland; Werner Carobbio, general secretary of the United Socialist Party of Switzerland; Yrjo Hakanen, chairman of the Central Committee of the Communist Party of Finland (Unity); Timo Lahdenmaeki, chairman of the for Peace and Socialism-the Communist Party of Finland; the Central Committee of the Communist Party of Greece; the Central Committee of the Communist Party of Portugal; and Remy Giacomini [as received], chairman of the Socialist Party of San Marino.

In its reply messages the Central Committee of the Workers' Party of Korea expressed the belief that the friendly and cooperative relations between the WPK and those parties will grow stronger and develop, and wish the parties and party leaders greater success in their activities and work for peace, democracy and social progress.

Dailies Mark Anniversary of Ties With Singapore

SK0811112790 Pyongyang KCNA in English
1011 GMT 8 Nov 90

[Text] Pyongyang November 8 (KCNA)—NODONG SINMUN and MINJU CHOSON today dedicate signed articles to the 15th anniversary of the opening of diplomatic relations between Korea and Singapore.

The establishment of diplomatic relations between Korea and Singapore marked an epoch-making occasion in strengthening and developing friendship and cooperation between the two peoples, NODONG SINMUN says, and goes on: Over the past 15 years Korea and Singapore have developed the friendly relations in conformity with the common aspirations and demand of their peoples and the principle of mutual respect and benefit. These relations are now developing favourably.

The independence of the country in 1965 opened a road of building a new life to the Singaporean people.

Singapore is externally pursuing the non-aligned policy. She, a member nation of the "ASEAN", is developing friendly and cooperative relations with neighbouring countries.

The Korean people set store by the friendly relations with the Singaporean people and will actively strive to further develop these relations.

MINJU CHOSON says that the Korean people wish the Singaporean people greater success in their efforts for national prosperity.

KCNA Reviews 8 Nov Pyongyang Press

SK0811055390 Pyongyang KCNA in English
0500 GMT 8 Nov 90

[Text] Pyongyang November 8 (KCNA)—Papers here today carry a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Felix Houphouet-Boigny upon his reelection as president of the Republic of Cote d'Ivoire.

NODONG SINMUN prints a reply sent by dear Comrade Kim Chong-il to the letter of members of a party cell of the Korean Central News Agency. The speech of the great leader President Kim Il-song at the banquet in celebration of the 45th anniversary of the foundation of the Workers' Party of Korea was reported abroad, according to the press.

President Kim Il-song received solidarity letters from different countries, says NODONG SINMUN.

Conveyed in the daily are words of South Koreans expressing boundless respects for President Kim Il-song who brought bumper harvest to the rural community of the northern half of Korea every year.

The daily reports that a work of Comrade Kim Chong-il was carried by a foreign newspaper and magazine.

MINJU CHOSON deals with the deep loving care shown by Comrade Kim Chong-il to bring up our marksmen to be sportsmen who display the spirit of heroic Korea.

NODONG SINMUN comes out with an article on the energetic activities of Comrade Kim Chong-suk, an indomitable communist revolutionary fighter, to bring up young generations to be the reliable successor to the cause of chuche in the period of the anti-Japanese armed struggle.

Working people across the country are making signal success in production and construction, says the press.

NODONG SINMUN carries an article entitled "To Share Bitters and Sweets With People Is Important Traits Mother Party Officials Should Be Possessed of".

It is reported in the press that the 20th plenary meeting of the Central Committee of the General Federation of Trade Unions of Korea was held, wreaths were laid before the liberation tower on the 73rd anniversary of the Great October Socialist Revolution, an agreement on cooperation was signed between the Korean newspaper NODONG SINMUN and the Afghan newspaper FAYAM, the water colour "Mt. Paektu" by Korean artist Yi Kyong-nam was awarded a special prize at the 12th international water colour show.

Printed in the press is a telephone message sent by the acting chairman of the Central Committee of the DPRK Red Cross Society to the president of the South Korean Red Cross in connection with the Red-Cross working-level contact between the North and the South.

South Korean news of the press includes reports that more than 3,300 academic figures are conducting a signature campaign in protest against the opening of the agricultural and livestock markets and HANGYORE SINMUN denounced the South Korean authorities for having arrested the chairman of the "National Council of [University] Student Representatives" of South Korea (Chondaehyop).

Under the title "'The Flower of Reunification' Remaining Fragrant in the Minds of Fellow Countrymen" NODONG SINMUN carries articles praising the patriotic deed of student Yim Su-kyong by the former chairman of Chondaehyop and other public figures.

The daily reports that 46 members of the House of Representatives of the United States sent a joint letters to the traitor No Tae-u urging the release of all the political prisoners, the Japanese ASAHI SHIMBUN exposed the fact that "Japanese special minesweeping parties" had participated in the Korean war started by the U.S. imperialists and the South Korean military fascist clique planned to stage a military exercise code-named "Shield 90" in and around Seoul.

Papers run commentaries on the large-scale "Eagle 90" joint military exercises being staged by the U.S. imperialists and the South Korean puppets.

"The United States Must Discard Its Anachronistic Korean Policy" is the title of a NODONG SINMUN article.

Papers carry articles on the successful month of supporting the proposal for founding the democratic confederal republic of Koryo in all parts of the world.

NODONG SINMUN carries foreign friends' impressions of Korea under the title "The Korean People Who Are Invariably Advancing Along the Road of Socialism".

A special issue of THE BULLETIN was brought out by the Portugal-Korea Friendship Association, says the daily.

Papers inform the readers that Comrade Jiang Zemin and other Chinese party and state senior officials met the participants in the meeting of foreign propaganda work and Comrade Fidel Castro inspired the attendants of the communist Sunday LABOUR.

NODONG SINMUN reports that the CHINESE PEOPLE'S DAILY called for educating youth and students with the socialist idea, the 4th meeting of the Chambers of Commerce of the Group of 77 was held in Havana, the 2nd World Climate Conference was held in Geneva, the Maldives president called for heightening vigilance against the foreign interference and the Thai foreign minister called for early settling the question of the chairman of the Supreme National Council of Kampuchea [Cambodia].

Papers observe the 15th anniversary of the establishment of diplomatic relations between Korea and Singapore.

Trade Union Federation Central Committee Meets

SK0811050990 Pyongyang KCNA in English
0456 GMT 8 Nov 90

[Text] Pyongyang November 8 (KCNA)—The 20th plenary meeting of the Central Committee of the General Federation of Trade Unions of Korea was held in Pyongyang over November 6-7.

The meeting discussed tasks of the trade union organisations to further improve and strengthen ideological education in conformity with the requirement of the present situation.

A reporter and the speakers said that education in the chuche idea such as loyalty education, education in the revolutionary traditions, revolution education, class education and education in socialist patriotism should be continued so vigorously, keeping the pivot of ideological education, that all the trade union members may deeply acquire the greatness of the respected leader Comrade Kim Il-song and our party and the advantages of our socialist system.

They called for conducting the dynamic propagation of the party policies and economic agitation in order to organize and mobilize the workers and trade union members in the socialist economic construction in conformity with the character and duty of the trade unions.

Kim Chong-il Replies to KCNA Party Cell

SK0711234190 Pyongyang KCNA in English 2242 GMT 7 Nov 90

[Text] Pyongyang November 8 (KCNA)—NODONG SINMUN carries the following report:

Comrade Kim Chong-il Sends Reply to a Letter

of the Members of a Party Cell of

the Korean Central News Agency

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the Central Committee of the Workers' Party of Korea [WPK], sent a reply letter to the members of the second cell of the Workers' Party of Korea of Department No.5 of the Korean Central News Agency (KCNA).

The members of the second cell of the WPK of Department No. 5 of the KCNA had sent him a letter carrying their resolution to make a positive contribution to the accomplishment of the cause of socialism and communism with the pen of Chuche, remaining unfailingly loyal to the leadership of the party at a time when the whole country was astir to greet the 45th anniversary of the foundation of the glorious Workers' Party of Korea with a high degree of political enthusiasm and brilliant achievements in labor.

Comrade Kim Chong-il read the letter and sent a reply to them on November 1.

The reply letter says:

"To the Comrades in the second party cell,

I have received your letter.

I thank you for your hard work.

Upon receiving your letter, I assure you that I will redouble my efforts and remain unboundedly faithful to the party and the revolutionary cause, living up to your expectation.

With Comradely greetings,

[signed] Kim Chong-il

[dated] November 1, 1990."

The fifteen members of the second party cell of Department No. 5 of the Korean Central News Agency, on the occasion of the historic founding anniversary of the WPK, had held a meeting to more creditably discharge their noble duty as members of the WPK for the times and the revolution and decided to send a letter with due respect to dear Comrade Kim Chong-il who is confidently leading our party and people to victory in the cause of socialism with his tireless ideological and theoretical activities and energetic guidance, a letter which carries their unshakable will to follow the party forever along a road of loyalty, with the conviction of victory.

In the letter, they had noted with pride that the revolutionary cause of Chuche is being carried on successfully and the single-hearted unity of the leader, the party and the masses is being consolidated on a new height in Korea under the wise guidance of Comrade Kim Chong-il.

Pointing to the fast changing situation and the consequences of the vicious anti-socialist moves of the imperialists, they had stressed in the letter that the brilliant reality of our country which is victoriously advancing towards socialism and communism under the unfurled banner of revolution even under such circumstances makes them feel in the depth of their hearts the great truth that the destiny of a nation and the victory or failure of the revolution entirely depend on the guidance of the party and the leader and the unity and cohesion of the revolutionary ranks.

They had continued in the letter:

"As long as we have the great idea and the wise guidance, we will always have the honour of emerging victorious.

"We party members of the cell will equip ourselves more firmly with the Chuche idea and breathe, think and act as required by Chuche.

"We will defend and guard the party centre at the cost of our lives and be the standard-bearer carrying the banner of the Chuche idea in the van of our party's media.

"The letters 'let the cowards go away, we will defend the red flag excl.' Will always remain inscribed on the red flag held aloft by us.

Saying that apart from Comrade Kim Chong-il, the dear leader, it is impossible to think about our happiness and glory, the Korean nation-first idea and our sky and land, the letter expressed the best wishes of the 15 party members for the good health and long life of Comrade Kim Chong-il for the people, for the revolution and for socialism and communism.

The significant reply letter replete with deep trust in his men and the letter of the party intellectuals carrying their undisputed trust in the leader of the revolution and their loyalty to him clearly show the blood ties between our party centre and the masses of the people forged on the road of revolution with comradely obligation and affection.

The party members and other working people throughout the country are filled with great emotion and excitement at the stirring news that Comrade Kim Chong-il sent a reply letter to the members of the second party cell of department no. 5 of the KCNA and encouraged them.

This immortal story engendered from our party ranks in the first year of the 1990s will be recorded in brilliant letters in the history of the Workers' Party of Korea and hand down long the proud tradition of single-hearted unity which is inherited generation after generation, along with the unforgettable stories about the ten party members of Nakwon, the workers of Kangson and "grandma of Taesong" which demonstrated the boundless loyalty of our party members and people to the great leader Comrade Kim Il-song in the rigorous days of the war and the difficult days after the ceasefire.

New Holiday Marks Kim's Visit to Coal Mine

SK0711222390 Pyongyang KCNA in English 1500 GMT 7 Nov 90

[Text] Pyongyang November 7 (KCNA)—July 7 has been instituted as the coal miners day in Korea.

It is the significant day when the great leader President Kim Il-song visited the June 13 Coal Mine 36 years ago and opened a new stage in the development of coal industry of the country. With the institution of the coal miners day the working people have one more holiday. There are many holidays of working people of different sectors in Korea including day of railway workers, day of agricultural working people, fishermen's day, day of public health, day of geological survey, day of education, day of local industy, day of builders and day of the press.

The working people greet their holidays with high political zeal and brilliant achievements in labour.

Before the day of textile industry (October 15) the textile workers increased their production 28 percent in the first nine months of this year compared with the same period of last year.

The working people in the field of metal industry greatly boosted the production of iron and steel to greet the day of metal workers (October 9).

Over 40 factories, enterprises, coal and ore mines have begun their operation, new railway line opened to traffic and 400 km waterway project on the west coast completed on the occasions of holidays this year.

On holidays working people enjoy art performances and sports games at factories, enterprises, cooperative farms and other units and spend a pleasant time with dances, songs and other recreation gatherings at parks and recreation grounds. Before the liberation the working people lived without so much as knowing holiday.

Achievements in Mining Cited

SK0711223190 Pyongyang KCNA in English 1504 GMT 7 Nov 90

[Text] Pyongyang November 7 (KCNA)—Significant achievements have been made these days in different domains of the national economy of Korea.

The General Bureau of the Mining Machine Industry developed ten odd kinds of mining equipment.

The machines and equipment including the self-propelled shaft-sinking combine, the separate hydraulic support, the electric rock drill, the pneumatic pick and small-size pneumatic loader are efficient and modern.

The introduction of these mining equipments will raise the modernization level of equipment and sharply boost production at coal and ore mines.

The General Bureau, setting itself the goal of developing 42 kinds of new mining equipment by April 15 next year, is pushing ahead with their manufacture. A new Pongchon mine-lot has been developed in the Chaeryong mine to begin iron ore production on a full-fledged scale.

This mine-lot has a bright prospect with its small amount of overburden, high-grade iron ore and rich deposits.

The June 4 General Rolling Stock Works has boosted wagon production. The workers of the works sent 300 gravel wagons and 100 bottom-dropping cement wagons to the construction site of Tongil Street in Pyongyang.

They are now accelerating the production of 100-ton wagons.

Successes have been made in developing new electronic chips at the factories under the General Bureau of Electronics Industry.

An expansion project of the Kaechon pig iron factory is going on at fast speed to increase the production of steel 1.5 times and that of rolled steel 2 times.

Production is on the steady growth in power, coal and metal industries.

Mining Production Increase Urged

SK0711081990 Pyongyang Domestic Service in Korean 0008 GMT 3 Nov 90

[NODONG SINMUN 3 November Editorial: "Let Us More Vigorously Push Ahead With Production from Coal Mines, Other Mines."]

[Text] One of the important problems which arise in vigorously accelerating socialist economic construction in the present period, upholding and following the great leader Comrade Kim Il-song's historic policy speech, is to regularize production at a high level by putting effort into the extraction industry sector.

The great leader Comrade Kim Il-song has taught: Rapidly developing the extraction industry and, thus, firmly giving it priority over the processing industry is a basic principle of economic construction and is the key factor to utilize to the maximum the production capacity already provided in many sectors of the national economy and to increase production with a view to the future.

The extraction industry is the preceding sector of the national economy. Only when priority is given to the extraction industry—the first process of production—can the problem of raw materials, fuel, and energy be successfully solved and can production be vigorously accelerated in all sectors of the national economy. Only by regularizing production at a high level in coal mines and other mines can we increase production of coal and minerals and, thus, we not only smoothly meet the national economy's demands for coal and minerals, but also increase production of the semi-processed and processed goods as well. In particular, the production goals of coal, iron, and non-ferrous metals set forth by the party can be achieved only when coal and other mine production is regularized at a high level.

The efforts to fulfill the militant task of this year, the first year of the nineties, as well as the efforts to make the mighty economic foundation that has already been firmly provided under the wise leadership of our party prove its worth, emphatically depend on how sufficiently coal mines and other mines can produce and supply various kinds of coal and minerals. Only by effecting an upsurge in production of coal mines and other mines and, thus, smoothly meet the constantly increasing demands for coal and minerals can we vigorously encourage all party members and the working people who are struggling with firm faith in response to the party's militant appeal which calls for them to effect a revolutionary upsurge once again.

Functionaries and the working people in the extraction industry sector, correctly recognizing the importance of the duty that they have been assigned in the battles of the general march, should more vigorously wage the struggle to increase the production of coal and minerals. To regularize production at a high level in coal mines and other mines, it is imperative for functionaries to boldly plan and organize operations on this work and to actively push ahead with it.

Our party calls on functionaries in the coal mines and other mines, as well as functionaries at their guiding units, to boldly plan and organize their operations, to actively push ahead with them, and, thus, effect a basic turn in the production of coal and minerals. All functionaries in this sector should do away with the passive work attitude, penetrate deep into realities, and, thus, boldly organize and develop the struggle to achieve the goals set forth by our party. The basis for this is to properly guarantee production conditions.

The revolutionary zeal of miners today is very high. Therefore, only when we more properly guarantee production conditions for them can the production of coal and minerals be increased considerably. In response to the party's demand for concentrating more effort on the extraction industry sector, functionaries in committees and ministries of the State Administration Council and provinces should acquaint themselves with the situation of coal mines and other mines in detail; should build more vertical shafts, where it is necessary to build more vertical shafts; should build more belt conveyers, where it is necessary to build more of them; should, thus, perfect the hauling system; and should establish in a responsible manner the measures to guarantee more of various kinds of facilities, equipment, and materials, including compressors, hoisting machines, (?elevators), and mine cars. In particular, responsible functionaries in this sector should be deeply interested in this work, should solve pending knotty problems in a timely manner, and should directly grasp this work so that the party's policy on it can be correctly implemented.

The sector which is responsible for producing and supplying extraction facilities and equipment is precisely the extraction machine production sector. Functionaries in this sector should correctly know how great the party's expectation of them is and should vigorously wage the struggle to produce and supply all extraction facilities required in coal mines and other mines through independent efforts. Along with this, the chemical, metal, and building materials industry sectors and the forestry sector should concentrate greater effort on the organizational work to produce and supply in a timely manner various materials and goods, including blasting materials, steel cables, rails, and logs, which are needed in regularizing production at coal mines and other mines.

Properly carrying out prospective survey [chonmang tamsa] and preliminary survey [chakop tamsa] is the precondition to increase the production of coal and minerals. Functionaries in the resource development sector and the extraction industry sector should vigorously wage prospective survey and preliminary survey by strengthening survey efforts and introducing advanced survey methods so that they should unfold production conditions with a view to the future.

When we carry out survey work in an ephemeral way we cannot regularize production. Functionaries in this sector should carry out a prospective survey with the goal of securing coal and mineral resources enough to dig for 10 years or 20 years and carry out a projected preliminary survey for 2 or 3 years ahead.

To rapidly increase the production of coal and minerals it is imperative to concentrate investments in this. When we make investments in coal mines and other mines, we can increase production relative to our investment.

Concerned committees and ministries of the State Administration Council, including the State Planning Committee, should correctly establish plans for investment in coal mines and other mines and extensively invest capital in them. Thus, they should see to it that a new turn is effected in the production of coal and minerals.

The party has already taken epochal measures to increase investments in the extraction industry sector. Functionaries in the extraction sector and other sectors concerned should plan and coordinate economic organizational work in conformity with the party's demands and intent and, thus, should see to it that the party's measures prove their worth.

Giving priority to drifting and stripping is a rule, a principle in the extraction industry sector. Party organizations and functionaries in coal mines and other mines should vigorously wage a high-speed drifting campaign and push ahead with this campaign in a planned manner.

Thus, they should give priority to drifting and stripping in conformity with the standard set forth by the party.

Potential for increase in coal and mineral production rest with technological innovation. Mines, by more vigorously waging a technological innovation movement among the masses and, thus, by actively introducing modern production machinery and new production methods, should realize large-scale cutting, large-scale hauling, and large-scale processing, should decisively increase the extraction rate and production amount per man, and, thus, should produce coal and minerals of greater quantities with less labor and less materials.

To regularize production at a high level in coal mines and other mines, it is important for functionaries and the working people in this sector to vigorously struggle, cherishing in their hearts the lofty ideological will to unconditionally implement the party's plan and intent.

Today, our party demands that the breakthrough of leap and advance in the general march of the nineties begin in the extraction industry sector. All functionaries, party members, and the working people in mines should vigorously push ahead with production with the firm faith and indomitable fighting spirit that "we will do it once the party has decided it," while turning even unfavorable conditions into favorable conditions through their own efforts and, thus, should see to it that the party's plan and intent produce brilliant results.

When the producer masses correctly know the party's intent and rise up ideologically, this brings innovation to all tasks. Party organizations and functionaries in the extraction industry sector should actively explain and inculcate among party members and the working people the great leader Comrade Kim Il-song's teaching on regularizing production at a high level in coal mines and other mines in order to lead them correctly understand the importance of their duties in the battle of this year. Thus, they should see to it that party members and the working people earnestly make efforts to produce more of coal and minerals with the existing facilities, materials, and labor efforts, cherishing in their hearts burning loyalty to the party and the leader.

In particular, guidance functionaries in the extraction industry sector should directly go to blind ends of coal mines and other mines where the battle for the general march is being waged, should inspire there the masses' revolutionary zeal and creative positiveness through vigorous political work, and should smoothly guarantee technological and economic conditions there. Thus, they should regularize production at a high level in coal mines and other mines, should vigorously accelerate the general march of the nineties, and should vigorously demonstrate the might of the most superior socialist economic system of our country.

Upsurge in Iron, Steel Production Reported

SK0811113390 Pyongyang KCNA in English 1005 GMT 8 Nov 90

[Text] Pyongyang November 8 (KCNA)—Iron and steel output is on the increase in Korea.

The rolled steel output in the iron and steel works across the country jumped 12 percent in recent one month above the same period last year.

In the same month the Kim Chaek iron and steel complex boosted the output of pig iron and steel 17 and 15 percent respectively and rolled steel 5 percent.

The Hwanghae iron and steel complex lifted the output of pig iron 13 percent and that of rolled steel 40 percent in the one month as against the corresponding period last year by remodelling equipment of various processed.

Meanwhile, the Chollima steel complex topped the rolled steel production plan 20 percent.

Pyongyang Radio Lists Renamed Universities

SK0711013390 Pyongyang Domestic Service in Korean 1200 GMT 2 Nov 90

[Text] Education is one of the fundamental issues that determines the victory or defeat of the revolution and the future destiny of the nation. From the first day when it started to lead the revolution and construction, our party has always paid deep attention to education. Because of our party's correct educational policy and wise leadership, brilliant achievements have been won in education; higher educational institutions have greatly increased; and as a result, numerous chuche-type intellectuals are raised every year.

The meaningful naming of universities, which are the bases where technicians and experts are nurtured, is of great significance in nurturing growing youth and students as reliable inheritors of the chuche revolutionary cause who are endlessly loyal to the party and the leader, and the fatherland and the people.

The DPRK CPC [Central People's Committee] has decided to rename some universities after battle sites, historical places, other place names associated with the glorious revolutionary history and immortal revolutionary exploits of the great leader Comrade Kim Il-song and our party and after the anti-Japanese revolutionary fighters and patriotic martyrs.
Pyongyang University of Education [pyongyang sabom taehak] is renamed as Kim Chol-chu University of Education [kim chol-chu sabom taehak];
Pyongsong University of Education [pyongsong sabom taehak], Myongsin University [myongsin taehak];
Sinuiju University of Education No. 1 [sinuiju cheil sabom taehak], Cha Kwang-su University [cha kwang-su taehak];
Sinuiju University of Education No. 2 [sinuiju chei sabom taehak], Kwanso University [kwanso taehak];

Kanggye University of Education No. 1 [kanggye cheil sabom taehak], Changjasan University [changjasan taehak];

Kanggye University of Education No. 2 [kanggye chei sabom taehak], Cholligil University [cholligil taehak];

Kim Chong-tae University of Education [kim chongtae sabom taehak], Kim Chong-tae University [kim chong-tae taehak];

Haeju University of Education No. 2 [haeju chei sabom taehak], Kim Yong University [kim yong taehak];

Sariwon University of Education No. 1 [sariwon cheil sambom taehak], Yi Kye-sun University [yi kye-sun taehak];

Sariwon University of Education No. 2 [sariwon chei sabom taehak], Sariwon University [sariwon taehak];

Wonsan University of Education [wonsan sabom taehak], Kumgang University [kumgang taehak];

Hamnam University of Education No. 1 [hamnam cheil sabom taehak], Kim Hyong-kwon University of Education [kim hyong-kwon sabom taehak];

Hamnam University of Education No. 2 [hamnam chei sabom taehak], Saenal University [saenal taehak];

Chongjin University of Education No. 1 [chongjin cheil sabom taehak], O Chung-hup University [o chung-hup taehak];

Chongjin University of Education No. 2 [chongjin chei sabom taehak], Yomyong University [yomyong taehak];

Nampo University of Education [nampo sabom taehak], Samgwang University [samgwang taehak];

Pyongyang Teachers Training University [pyongyang kyowon taehak] , Samhung University [samhung taehak];

Pyongsong Teachers Training University [pyongsong kyowon taehak], Pyongsong University [pyongysong taehak];

Sinuiju Teachers Training University [sinuiju kyo won taehak], Yangsil University [yangsil taehak];

Sonchon Teachers Training University [sonchon kyowon taehak], Samsong University [samsong taehak];

Kanggye Teachers Training University [kanggye kyowon taehak], Paeksan University [paeksan taehak];

Haeju Teachers Training University [haeju kyowon taehak], Cho Ok-hui University [cho ok-hui taehak];

Sariwon Teachers Training University [sariwon kyowon taehak], Tongson University [tongson taehak];

Wonsan Teachers Training University [wonsan kyowon taehak], (?Yi Su-pok) University [(?yi su-pok) taehak];

Hamhung Teachers Training University No. 1 [hamhung cheil kyowon taehak), Choe Hui-suk University [choe hui-suk taehak];

Hamhung Teachers Training University No. 2 [hamhung chei kyowon taehak], Tonghung University [tonghung taehak];

Songjin Teachers Training University [songjin kyowon taehak], Ma Tong-hui University [ma tong-hui taehak];

Hoeryong Teachers Training University [hoeryong kyowon taehak], Kim Chong-suk Teachers Training University [kim chong-suk kyowon taehak];

Hyesan Teachers Training University [hyesan kyowon taehak], Samjiyon University [samjiyon taehak];

Nampo Teachers Training University [nampo kyowon taehak], Sunhwa University [sunhwa taehak];

Pyongsong University of Medicine [pyongsong uihak taehak], Ponghwa University [ponghwa taehak];

Sinuiju University of Medicine [sinuiju uihak taehak], Kwangje University [kwangje taehak];

Kanggye University of Medicine [kanggye uihak taehak], Inpung University [inpung taehak];

Haeju University of Medicine [haeju uihak taehak], Changsusan University [changsusan taehak];

Sariwon University of Medicine [sariwon uihak taehak], Kang Kon University [kang kon taehak];

Wonsan University of Medicine [wonsan uihak taehak], Songdowon University [songdowon taehak];

Hamhung University of Medicine [hamhung uihak taehak], Chongsong University [chongsong taehak];

Songjin University of Medicine [songjin uihak taehak], Kyongsong University [kyongsong taehak];

Hyesan University of Medicine [hyesan uihak taehak], Karimchon University [karimchon taehak];

Hamhung University of Pharmacy [hamhung yakhak taehak], Koryo University of Pharmacy [koryo yakhak taehak];

Sinuiju University of Agriculture [sinuiju nongop taehak], Manpung University [manpung taehak];

Kanggye University of Agriculture and Forestry [kanggye nongnim taehak], Chagang University [chagang taehak];

Haeju University of Agriculture [haeju nongop taehak], (Kim Chae-won) University [(kim chae-won) taehak];

Sariwon University of Agriculture [sariwon nongop taehak], Kye Ung-sang University [kye ung-sang taehak];

Hamhung University of Agriculture [hamhung nongop taehak], Kumya University [kumya taehak];

Hambuk University of Agriculture [hambuk nongop taehak], Hambuk University [hambuk taehak];

Hyesan University of Agriculture and Forestry [hyesan nongnim taehak], Yanggang University [yanggang taehak];

Nampo University of Agriculture [nampo nongop taehak], Nampo University [nampo taehak];

University of Light Industry [kyonggongop taehak], Pyongyang University of Light Industry [pyongyang kyonggongop taehak];

University of Commerce [sangop taehak], Chang Chol-ku University [chang chol-ku taehak];

Pyongyang University of Physical Education [pyongyang cheyuk taehak], Korea University of Physical Education [choson cheyuk taehak];

Wonsan University of Economics [wonsan kyongje taehak], Chong Chun-taek University of Economics [chong chun-taek kyongje taehak];

Pyongnam University of Coal-Mining Industry [pyongnam soktan kongop taehak], University of Coal-Mining Industry [soktan kongop taehak];

Chongjin University of Mining and Metallurgy [chongjin kwangsan kumsok taehak], University of Mining and Metallurgy [kwangsan kumsok taehak];

Hyesan University of Mining [hyesan kwangop taehak], Pochonbo University of Industry [pochonbo kongop taehak];

Hamhung University of Chemical Industry [hamhung hwahak kongop taehak], University of Chemical Industry [hwahak kongop taehak];

Hamhung University of Irrigation [hamhung suri taehak], University of Irrigation and Power [suri tongnyok taehak];
Wonsan University of Fisheries [wonsan susan taehak], Tonghae University [tonghae taehak];
Nampo University of Fisheries [nampo susan taehak], Sohae University [sohae taehak];
Pyongyang University of Printing Industry [pyongyang insoe kongop taehak], University of Printing Industry [insoe kongop taehak].

[signed] The DPRK CPC

[dated] 31 October 1990, Pyongyang

South Korea

Ministry Supports Music Fest Invitation to North

SK0811031190 Seoul YONHAP in English 0153 GMT 8 Nov 90

[Text] Seoul, Nov. 8 (YONHAP)—The government gave a South Korean traditional band permission Wednesday to invite North Korean musicians to a festival for national unification. According to the application of band leader Hwang Pyong-ki, the band will invite 30 traditional musicians from North Korea to give two performances in Seoul between Dec. 9-15 at the festival.

Hwang, a music professor at Ewha Womans University, visited Pyongyang on Oct. 14-24 to attend a pan-national music festival for national unification at the invitation of North Korea. A group of traditional musicians accompanied him.

The Culture Ministry will support Hwang's festival so that it can succeed since it complies with government policy to encourage inter-Korean cultural exchanges, a Ministry official said. The Ministry will help Hwang set up an organizing committee, and will promote other cultural exchanges between South and North Korea in the category of pure arts, he said.

Panmunjom Red Cross Talks End Without Results

SK0811051990 Seoul Domestic Service in Korean 0300 GMT 8 Nov 90

[Text] The eighth round of North-South Red Cross working-level contacts was held at the conference room of the Neutral Nations Supervisory Commission in Panmunjom at 1000 this morning. The parties discussed the holding of the 12th round of full-dress North-South Red Cross talks, home-visiting groups, and the exchange of art troupes. The contact ended however, without narrowing the disagreement over the performance of North Korea's revolutionary operas "The Flower Girl" and "The Sea of Blood." As a result, today's talks ended without a decision on when to hold the next working-level talks.

At the contact, resumed for the first time in a year, the North and South Korean sides negotiated on issues they failed to resolve had the seven previous such contacts and at the contact between senior delegates; the content, number and length of the art troupe's performance; and the size of home-visiting groups and who would lead them.

The North and South Korean sides disputed in particular over performance of the North Korean revolutionary operas "The Flower Girl" and "The Sea of Blood." Song Yong-tae, our side's senior delegate, urged the abrogation of the assertion to perform the revolutionary operas by noting that performance of the operas not only is diametrically opposed to the Red Cross principle of neutrality and the purpose of exchanging home-visiting groups, but also violates the agreement between the two sides that the content of the art troupe performance should not be malignant or slanderous to the other side. Furthermore, Pak Yong-su, head of the North side's delegation, continued to demand the performances be allowed, contending that the operas are compatible with the principle of the art troupe's performance, and that the operas' contents are never provocative to the South side.

Song, our senior delegate, suggested the first round of full-dress North-South Red Cross talks [as heard] resume in Pyongyang as soon as possible, in case the exchange of home-visiting groups before the end of the year is not possible. But Pak Yong-su, head of the North Korean delegation, continued to push his stand that the home-visiting groups should be exchanged first, followed by the full-dress talks.

Song Yong-tae, our senior delegate, disclosed that the art troupe's performance can be separated from the list of Red Cross tasks and can be included in those of the North-South cultural and artistic exchange. He said it can be discussed based on the spirit of reciprocity, if it is hard for the North Korean side to modify the contents of the art troupe's performance, and if this creates a problem in exchanging home-visiting groups.

Further on Red Cross Talks

SK0811063990 Seoul YONHAP in English 0629 GMT 8 Nov 90

[Text] Panmunjom, Korea, Nov. 8 (YONHAP)—Red Cross officials from South and North Korea discussed exchange visits by members of separated families and performing artists on Thursday, ending an 11-month suspension but failing to narrow their differences.

In the eighth working-level Red Cross contact, chief North Korean delegate Pak Yong-su said the operas "A Maid Selling Flowers" and "Blood Sea" should be performed in Seoul if North Koreans went there for reunions or to visit their birth place. Chief southern delegate Song Yong-tae disagreed, saying that as the theme of the operas is communist revolution they violate the Red Cross principle of neutrality and an agreement not to slander each other.

As no date was set for the next contact, the possibility of a reunion this year is almost zero. The two Koreas exchanged 151 members of separated families and folk artists in September 1985 for the first and, so far, only reunion since their division in 1945. With the recent visits by soccer teams and the prime ministerial talks, expectations for another exchange were rising. There are an estimated 10 million Koreans who belong to separated families in both halves of the peninsula.

Song said the operas could be dealt with separately from the reunions but Pak rejected that as "it goes against the mutual agreement and denies this working-level contact itself."

Song proposed that the 11th Red Cross plenary meeting be held in Pyongyang in January and anyone over 60 be allowed to visit the other side, but Pak said the plenary talks could be held only after the reunions and senior citizens were not on the agenda.

After the futile contact, Pak held a news conference at Panmungak on the northern side of the truce village of Panmunjom and said "A Maid Selling Flowers" could not be deemed to violate the principle that only works shown 1,000 times or more at home and abroad might be performed and that the content should be national, sound and not slanderous to the other side.

"If the South sticks to its position of not accepting 'A Maid Selling Flowers,' there is no need for more working-level contacts. The South is trying to make the Red Cross talks void," Pak said.

Song, in a news briefing at Peace House on the Southern side, said he had proposed separating reunions from the performances as the opera issue seemed to be hampering the talks. "It was in 1985 that we accepted the North's offer to exchange art troupes along with the hometown visitors. Now exchanges are going on between South and North in cultural fields, including music and film. It is absurd that the reunion of 10 million members of split families cannot be realized due to revolutionary operas, and so I proposed separating the two issues," Song said.

Official Says Seoul May Cancel Fighter Contract

SK0811093790 Seoul YONHAP in English 0848 GMT 8 Nov 90

[Text] Seoul, Nov. 8 (OANA-YONHAP)—South Korea will have no choice but to cancel a multi-billion dollar jet fighter contract with McDonnell Douglas if the U.S. aerospace company insists on a 40-percent price hike, a Defense Ministry official said Thursday.

The official, requesting anonymity, said that despite requests for technology transfers and improved features, McDonnell Douglas was trying to get Korea to buy older models when it said it could not resettle the price unless the contract was changed. "Such a suggestion is unacceptable and goes against the very aim of the Korea Fighter Program [KFP], which is to build up Korea's military strength and aerospace industry," the official said.

McDonnell Douglas was to sell Korea 120 FA-18 Hornets for 4.2 billion U.S. dollars in the KFP project, but has raised the price tag to between 6 billion dollars and 7 billion dollars, according to Ministry officials.

Seoul's 1990 Defense White Paper Cited

SK0811074890 Seoul YONHAP in English 0728 GMT 8 Nov 90

[Text] Seoul, Nov. 8 (OANA-YONHAP)—North Korea has a military force of more than 990,000 men and women and may be able to make nuclear weapons by 1995, a South Korean Defense White Paper said Thursday. Pyongyang has two nuclear reactors—one purchased from the Soviet Union in 1965 and another developed itself with accumulated technology—and is expected to complete a third one by the end of this year, according to the 1990 Defense White Paper published by the Defense Ministry.

It said North Korea is actively proceeding with plans to produce chemical and biological weapons and its military adventurism is a threat to South Korea. It pointed out that North Korea has constructed infiltration tunnels beneath the military demarcation line dividing the Korean peninsula.

The paper said the North will be able to manufacture nuclear weapons by 1995 as it has already completed nuclear reprocessing facilities at a large-scale nuclear research complex in Yongbyon, north of Pyongyang. The facilities, which can extract large amounts of plutonium, are expected to begin full operation in one or two years.

Japan's moves to become a military power again based on its economy, the second largest in the Free World, is one element that will have a negative impact on the defense of Korea, the paper said. It said Japan, following a strategy to establish a unilateral defense system while seeking protection under the U.S. nuclear umbrella, may try to extend its military might into nearby seas and possibly the Pacific.

Japan's attempt to revive its military power will bring a change in the existing military relationship among North Korea, the Soviet Union and China as well as in the military policies of its neighbors, the paper said. Japan spent 30 billion U.S. dollars on defense this year, the third largest amount in the world, and is expected to step up military efforts to secure sea lanes, air defense capabilities and capabilities to deter landing operations, it said.

The paper sees the Soviet Union's military strategic goal in Northeast Asia as to ensure preparedness to effectively wage war, if necessary, by air and sea and on the ground against the United States, Japan and China in peace time, and secure the capability to launch a multifaceted strike in theaters on the Asian Continent and the Pacific in an emergency.

The Soviet Forces in the Far East, it contended, may be seen as elements posing a threat to the security of Asia and the Pacific as well as North Korea.

The paper estimated North Korea's standing armed forces at 990,000, up 10,000 from 1989, compared with South Korea's 655,000. The North has 3,600 tanks and 9,400 artillery pieces to the South's 1,500 tanks and 4,200 artillery pieces, according to the paper. Pyongyang overpowers Seoul with 1,600 warplanes and helicopters, including Mig-29s and Su-25s, and 690 warships, including 24 submarines, to the South's 1,200 planes and helicopters and 190 ships, including destroyers but no submarines.

The North has spent 5.4 billion dollars on the military this year and the South 9.97 billion dollars, the paper said. The North's total military spending since the Korean war ended in 1953 is much higher than the South's and is not expected to be in balance until the mid-1990s, and military strength in the early 2000s, it said.

In the 1990s, South Korea will place priority on ensuring a self-reliant defense, maintaining firm military preparedness, pushing for arms control, promoting cooperative relations with the United States and modernizing the management of national defense, the paper said.

It also revealed that the South Korean Government paid 2.62 billion dollars for the upkeep of U.S. forces stationed in Korea in 1989, up 410 million dollars from 1988. This represented 2.2 billion dollars in indirect assistance, such as land lease, and 403 million dollars in direct assistance, the paper said.

It said growing U.S. pressure on Korea to raise cost-sharing for regional security is regarded as one element that will have a negative impact on the security of the Korean peninsula.

Korean Envoy Hints at Early Seoul-Moscow Summit

SK0711121990 Seoul YONHAP in English 1136 GMT 7 Nov 90

[Text] Seoul, Nov. 7 (YONHAP)—Kong No-myong, the first South Korean ambassador accredited to Moscow, on Wednesday hinted that the second summit between South Korea and the Soviet Union may be realized earlier than expected.

Meeting a group of diplomatic correspondents right after receiving a letter of credence from President No Tae-u, Kong said, "The leaders of the two countries agreed in principle to meet again during their San Francisco talks in June and reaffirmed the accord in their personal letters later. There remains only technical matters of setting the dates for their official journeys."

When pressed to evaluate the possibility of President No visiting Moscow before the end of this year, the career diplomat did not rule it out directly, simply saying, "a presidential trip, in general, is fixed a year ahead, or two months ahead. But it can be scheduled right before." He added, "We are incessantly negotiating on the date, but I will not elaborate further now."

Asked on the Soviet position on the inter-Korean dispute over Korea's membership of the United Nations, the ambassador said that the Soviet Union holds the view that South and North Korea should solve the problem smoothly through mutual dialogue.

He also said the Soviet Union has exerted its influence on North Korea, which is reportedly building a nuclear power plant, to join the safeguards agreement of the International Atomic Energy Agency (IAEA).

Kong, who had served as head of the Consular Department of the South Korean Trade Office in Moscow, said, "When a group of South Korean science-technology survey team visited Moscow in September, a vice Soviet nuclear industry minister told the team that the Soviet Government halted its assistance to a nuclear plant which was under construction in North Korea."

Lucky-Goldstar Chief Meets Visiting Soviet

SK0711075590 Seoul YONHAP in English 0737 GMT 7 Nov 90

[Text] Seoul, Nov 7 (YONHAP)—Ku Cha-kyong, chairman of the Lucky-Goldstar Group, discussed details of building a large business center in Moscow with visiting Soviet city officials on Wednesday.

Ku also met with Yuri Luzhkov, chairman of the Executive Committee of the Moscow Soviet, to discuss bilateral cooperation, a company spokesman said. Lucky-Goldstar exchanged letters of intent in May and October with Soviet officials on construction of a business center in Moscow.

Daewoo Wins Billion-Dollar Deals With Soviets

SK0711071590 Seoul YONHAP in English 0705 GMT 7 Nov 90

[Text] Seoul, Nov. 7 (YONHAP)—Daewoo Corp. of South Korea has won two deals worth 500 million U.S. dollars each over five years for textiles, electric and electronic appliances and plant with the Soviet Union and the Russian Republic, a company spokesman said Wednesday. He said the deals were clinched by Daewoo President Yun Yong, the Russian Republic and a state-run external trading company during Yun's visit last month.

The contracts call for payment in oil products, timber, coal and other raw materials, the spokesman said. There will be a signing ceremony in early December and the first shipment will be made early next year. Daewoo's 1 billion-dollar deal follows a 900 million-dollar contract with the Soviet Union by Samsung Electronic Co. and an 800 million-dollar contract by Goldstar Co. last month, shortly after normalization of relations between Seoul and Moscow.

Daewoo will open branches in Khabarovsk, Nakhodka and Leningrad early next year as part of a project begun when it first established a Moscow branch in 1988.

Further on Daewoo Contract

SK0811022190 Seoul THE KOREA TIMES in English 8 Nov 90 p 8

[Text] Daewoo corporation, a trading arm of the Daewoo Group, will export $1 billion worth of textiles, electrics, electronics and various manufacturing plants to the Soviet Union.

Daewoo said yesterday that it reached agreement with the Soviet Union to export those items.

The formal signing of a contract will be made early next month.

Daewoo said that it will export $500 million worth of consumer products and daily necessities to the Soviet Union over the next five years.

In return, Daewoo will receive petrochemicals and various raw materials, such as coal and lumber, from the Soviet Union.

The general trading company said that it will decide which items to barter trade by early next month through negotiations with the Soviet Union.

Meanwhile, Daewoo agreed with a Soviet delegation who visited here in September to export $500 million worth of various production facilities.

Those facilities will be used for the manufacture of textiles, bicycles, color TVs, microwave ovens, audio systems and other electrics and electronics.

Daewoo will receive steel products from the Soviet Union in exchange.

It said that it will hold an exhibition in Moscow by the end of this month to further negotiate production plants to be exported to the Soviet Union.

Daewoo has been pursuing the undertaking of various projects in the Soviet Union since 1988. Included are the construction and management of tourist hotels, and the establishment of joint venture plants for the manufacture of electronics and light industrial products.

It plans to set up branch offices in Leningrad, Nakhodka and other Soviet cities by early next year in addition to the one already in Moscow.

Unofficial Tariff Talks Under Way With PRC

SK0711085890 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Nov 90 P 10

[Text] Korea has been negotiating with China over abolition of China's discriminative tariffs imposed on Korea's major export items, through unofficial contacts of working-level officials, government sources said. The two countries will have an official channel shortly to finalize negotiations over this issue, the sources said.

China levies discriminative import duties on Korea's major export items, which are some 10 - 30 percent higher than those imposed on items from countries with which China has diplomatic relations, the sources explained.

Through unofficial contacts of working-level officials, China reportedly has expressed its favorable consideration to Korea's proposal, the sources said. A positive response from China on this issue will come shortly when the two countries open trade representative offices on a reciprocal basis, the sources said.

Also through unofficial contacts, negotiations are under way for China's affiliation with the Asia-Pacific ministerial council when the third meeting of the council opens in Seoul in October 1991, the sources said.

More Firms Consider Establishing PRC Branches

SK0711084090 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Nov 90 p 19

[Text] Encouraged by the establishment of the Beijing trade representative office, an increasing number of domestic enterprises are expected to establish branches in China.

This is because the Chinese government's qualifications for the establishment of a branch in China, which have been very stringent so far, are apparently being eased.

According to business sources, the Chinese government officially approved the establishment of a Beijing branch by Sunkyong in late September, and also approved the establishment of a Beijing branch by Pohang Iron and Steel Co. (POSCO) on Oct. 16.

The Chinese government's approval for POSCO's branch office is seen to indicate that the Chinese government has started to show a favorable attitude toward the establishment of branch offices in China by Korean enterprises, influenced by the opening of the Beijing trade representative office.

POSCO reportedly is busy preparing to register its branch office with related government authorities in China in order to open a Beijing branch by the end of this year.

As the Chinese government has not acknowledged Korean enterprises' establishment of their branches in

China, Samsung and Lucky-Goldstar Int's Corp. have been operating branches in China under different names.

SFRY's Jovic Arrives on Official Visit

LD0711150390 Belgrade TANJUG Domestic Service in Serbo-Croatian 1002 GMT 7 Nov 90

[Text] Seoul, 7 Nov (TANJUG)—SFRY Presidency President Dr Borisav Jovic arrived in Seoul today on a three-day official visit to the Republic of Korea. At Seoul Airport the high-ranking guest from Yugoslavia and his entourage, among which is also Federal Secretary for Foreign Affairs Budimir Loncar, were welcomed by Korean Prime Minister Kang Yong-Hun.

Tomorrow Jovic will meet his host, Korean President No Tae-u, and will have the first round of talks with him.

It has been announced that the talks will focus on bilateral relations, which special emphasis on economic cooperation. So far the economic cooperation has mainly involved trade, which is characterized by extremely high imbalance. In the first eight months of this year the value of trade between Yugoslavia and the Republic of Korea amounted to $172 million, out of which only $7 million are Yugoslav exports.

The Korean press, radio, and television are giving huge publicity to the president of the SFRY Presidency's visit. It has been concluded with pleasure that although Yugoslavia and the Republic of Korea established full diplomatic relations last December, the top-level visit is already taking place.

Jovic Meeting With No Reported

SK0811052490 Seoul YONHAP in English 0504 GMT 8 Nov 90

[Text] Seoul, Nov. 8 (YONHAP)—South Korean President No Tae-u and Yugoslavian President Borisav Jovic discussed bilateral economic cooperation and other matters of mutual concern in a summit at Chongwadae, the Korean presidential residence, Thursday. They agreed to strengthen cooperation in international bodies such as the United Nations and the Nonaligned Movement, Korean officials said.

No explained his policies on reunification and inter-Korean relations and asked Jovic for support on Korea's entry into the United Nations.

Jovic, who arrived in Seoul on Wednesday for a four-day state visit, is the first East-bloc head of state to visit Korea. Seoul and Belgrade established diplomatic relations in December 1989.

The two leaders agreed to establish systematic devices to improve bilateral investments such as an investment guarantee and to encourage businesses to form joint ventures to make electronic products in Yugoslavia. No asked for Yugoslavia, chair nation of the Nonaligned Movement, to help North Korea open up and reconcile with the South and Jovic expressed satisfaction at the development of relations since the establishment of Seoul-Belgrade diplomatic ties.

Jovic asked No to visit Yugoslavia in the near future and No said he would in due time. Jovic attended a luncheon hosted by the heads of economic organizations.

No Congratulates New Pakistani Prime Minister

SK0711123990 Seoul YONHAP in English 1232 GMT 7 Nov 90

[Text] Seoul, Nov. 7 (YONHAP)—South Korean President No Tae-u sent a congratulatory message on Wednesday to Pakistani new Prime Minister Mian Nawaz Sharif on his assumption of the post.

"I am confident that, under your distinguished leadership, the Islamic Republic of Pakistan will continue to enjoy peace and prosperity and that the friendly and cooperative relations happily existing between our two countries will be further enhanced during your tenure of office," President No said in the message.

Seoul To Submit Trade Policies to GATT in Dec

SK0811023390 Seoul YONHAP in English 0203 GMT 8 Nov 90

[Text] Seoul, Nov. 8 (YONHAP)—South Korea will submit its trade policies and measures for the Uruguay Round of multilateral negotiations to the ministers' meeting of the General Agreement on Tariffs and Trade (GATT) in Brussels in early December, it was decided in a cabinet meeting Wednesday.

In the meeting, presided over by Prime Minister Kang Yong-hun, it was also agreed to prepare item-by-item proposals for bilateral negotiations with the United States and the European Community in case the Uruguay Round collapses.

"The public is wrongly informed that settlement of the Uruguay Round of negotiations would result in the collapse of Korean agriculture," Kang told the meeting, asking the ministers to find ways to boost the competitiveness of Korean agricultural products.

Deputy Prime Minister Yi Sung-yun reported the soaring price of crude oil would cost Korea 1 billion U.S. dollars this year but the economy was showing signs of recovery owing to declining real estate speculation, slowing inflation and growing export and facilities investment. Yi, who is also economic planning minister, forecast 8 percent to 9 percent economic growth in the third quarter.

Kang said keeping inflation in the single-digit range was vital not only for socio-economic stability but also to restore public confidence in the administration.

Energy Resource Minister Yi Hui-il said he saw no problem with the supply of kerosene this winter as some 22.68 million barrels, or 89 percent of the expected seasonal demand, were in reserve as of Nov. 6. The government will double its imports of coal this winter to 1 million tons and will release 1.479 million tons from its reserve to South Chungchong and Cholla Provinces, where there may be problems, Yi said.

EC Steelmakers Charge Korean Dumping

SK0711074190 Seoul YONHAP in English 0628 GMT 7 Nov 90

[Text] Seoul, Nov. 7 (YONHAP)—European Community steelmakers have appealed to the European Commission to take steps to stop alleged unfair trade practices by South Korea, according to industry sources Wednesday. They charged that Korean-made steel is being sold at prices 9 percent to 15 percent lower than international prices and imports of cold rolled sheet from Korea jumped fivefold since 1988. They reportedly said they would ask the European Commission to impose anti-dumping tariffs if the "dumping" continues.

Meanwhile, Taiwan demanded during bilateral talks last month that Seoul halt exports of zinc-coated steel sheets and colored sheets as they were priced at 20 U.S. dollars to 30 dollars a ton below the international price, the sources said. In a message to steelmakers this week, Taiwan said the demand had not been met and warned it would file an anti-dumping suit if Korea refused to stop dumping.

The anti-dumping mood is expected to worsen Korea's already sluggish steel exports, projected to fall below 4.2 billion dollars for the year from 4.5 billion dollars last year, the sources said. The industry has looked to Taiwan, Southeast Asia and the EC to make up for a loss of sales in North America and Japan and to absorb excess output caused by capacity expansion.

Annual capacity for zinc-coated steel sheet doubled from 1.12 million tons in 1988 to 2.35 million tons this year and for colored steel sheet surged from 170,000 tons to 470,000 tons. Despite the expansion, exports slowed because of the strength of the Japanese yen, poor quality and the depressed U.S. market.

Lucky-Goldstar Selling Bulgarian Forklifts

SK0711084290 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Nov 90 p 12

[Text] Lucky-Goldstar International is selling forklifts produced by Balkancar of Bulgaria. The company signed an exclusive sales contract with the Bulgarian company in August.

Lucky-Goldstar Int's is introducing nine models of forklifts.

The company has opened sales agencies in Seoul and five other cities to market imported forklifts.

Machine Industry Group Reports Growing Deficits

SK0711073890 Seoul YONHAP in English 0616 GMT 7 Nov 90

[Text] Seoul, Nov. 7 (YONHAP)—South Korea has a growing deficit in machinery trade with Taiwan, the United States and Germany, the Korea Association of Machinery Industry (Koami) said Wednesday. As of the end of July, the deficit with Germany amounted to 934 million U.S. dollars, a six-fold increase from 133.79 million dollars at the same time last year, and with the United States it was 385.65 million dollars, a more than three-fold rise from 95.75 million dollars, Koami said. The deficit with Taiwan, a major rival, reached 24.97 million dollars, up 232 percent over the corresponding period last year, it said.

Korea's exports to the United States fell 10.6 percent to 5.176 billion dollars but imports from that country grew 10.1 percent to 4.216 billion dollars, widening the trade gap, and with Germany exports rose 16.7 percent to 253 million dollars and imports jumped 71.9 percent to 187 million dollars.

The deficit with Japan soared 536.3 percent to 3.08 billion dollars, or 84 percent of Korea's total machinery deficit of 3.688 billion dollars, and is about 70 million dollars more than the total deficit of all other industries.

Joint 'Economic Information Service' Planned

SK0711035690 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Nov 90 p 29

[Text] The Korea Economic Daily, publisher of a Korean-language economic newspaper and an English-language economic weekly, will set up an on-line economic information service company in a joint venture with IBS [expansion unknown] Information System in New York.

Under a contract signed by Yi Kyu-haeng, president and publisher of the Korea Economic Daily, and Ku Sung-yul, president of IBS Information System, in Seoul, the joint-venture firm, named IBS-KETEL [expansion unknown], will provide Korea's economic and financial information in both Korean and English languages through an on-line network to subscribers in the United States and Canada, starting next year.

IBS-KETEL will receive the information from the KETEL data base in Seoul real time via an international network and transmit it to subscribers' personal computers via their telephone lines.

Government Objectives for Seventh Five-Year Plan

SK0711083490 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Nov 90 p 1

[Text] The government will carry out industrial restructuring during the seventh five-year (1992-1996) economic and social development plan period, with its top emphasis centering on the manufacturing industry.

This was made known in basic policy directives for the formulation of the seventh five-year plan, which were adopted at a meeting of the ministers in charge of economic affairs. The meeting was presided over by Deputy Premier-Economic Planning Minister Yi Sung-yun.

Under the directives, the share of the manufacturing industry in Korea's gross national product (GNP) will rise from the current 31.3 percent to 33.3 percent in 1996, and an average annual real economic growth of 7.0 percent is targeted during the plan period.

During the plan period, annual exports will rise at an average rate of 9.9 percent to reach $112 billion in 1996, while annual imports will increase at an average rate of 8.8 percent to $113 billion in 1996.

According to the directives, four main objectives of the plan are industrial restructuring and technical renovation; countermeasures designed to cope with changes in international economic conditions such as the settlement of the Uruguay Round trade negotiations; relaxation of the government's restrictive measures and preparations for more local autonomy systems; and promotion of welfare services, especially in rural villages.

During the plan period, efforts will be made to expand economic cooperation between the South and the North, with the aim of narrowing the GNP gap and readjusting currency denominations of both economies.

Through industrial restructuring, technical renovation and stepped-up tax and financial favors, the employment ratio of the manufacturing industry will be raised from the current 27.1 percent to 30 percent.

The government will also exert its utmost during the plan period to expand trade with the Soviet Union, China and other East-bloc countries, sources close to the meeting said.

If the annual export-import goals are carried out successfully as planned by the government, Korea's current-account balance would begin recording a surplus of $1 billion in 1993 to reach $5.5 billion in 1996, thereby enabling Korea to become a creditor country with its net foreign assets reaching $8 billion.

If Korea's economy grows at an annual average rate of seven percent in real terms during the plan period, Korea's per-capita GNP at current prices would amount to $10,190 in 1996, thus entering into the upper ranks of developed countries in terms of the per-capita GNP.

The basic policy directives further call for increasing the ratio of off-farm income for farming households to 60 percent during the plan period.

In order to ease traffic jams, the transportation ratio of the Seoul's subway lines will be doubled during the plan period from the current 18.8 period to 37.9 percent.

The urbanization ratio will be increased to 81 percent in 1996, and residential areas covering 10 million pyong to 15 million pyong (one pyong equals 3.3 square meters) will be developed and supplied annually during the plan period to increase the distribution rate of housing units from the current 71.4 percent to 78 percent, the sources added.

Details of major economic goals envisaged under the seventh five-year socio-economic development plan are as follows:

Classification	Unit	1992	1993	1994	1995	1996
GNP	(at current bil.won prices)	210,634	235,521	263,348	294,462	329,253
	US$ bil	294.6	329.4	368.3	411.8	460.5
Per-capita	1,000 won	4,838	5,359	5,936	6,576	7,286
GNP (")	US$	6,767	7,495	8,302	9,197	10,190
Economic growth (at constant prices)		7	7	7	7	7
Economic growth (at current prices)	%	11.8	11.8	11.8	11.8	11.8
GNP deflator	%	4.5	4.5	4.5	4.5	4.5
Overall saving ratio	%	34.6	35.3	35.8	36.0	36.0
Gross investment ratio	%	34.6	34.7	34.8	34.9	35.0
Foreign savings ratio	%	0.0	-0.6	-1.0	-1.1	-1.0
Current-account balance	$bil	0	1	3	4	5.5
(Ratio to GNP)	(%)	(0)	(0.3)	(0.8)	(1.0)	(1.2)
Trade balance	$bil	0.1	1.1	2.9	4.0	5.5
Invisible trade & unrequited transfers	$bil	-0.1	-0.1	0.1	0	0
Exports (on a customs clearance basis)	$bil	76.5	84.5	94.0	102.5	112.0
Imports (")	$bil	81.0	88.5	96.5	104.5	113.0

Classification	Unit	1992	1993	1994	1995	1996
Net Foreign assets	$bil	-5.5	-4.5	-1.5	2.5	8
Population	1,000 persons	43,623	44,040	44,456	44,870	45,281
(Growth rate)	(%)	(0.96)	(0.95)	(0.93)	(0.91)	(0.89)
Economically active population	1,000 persons	19,571	20,018	20,436	20,850	21,229
(Participation ratio to economic activity)	(%)	(61.3)	(61.7)	(62.0)	(62.3)	(62.4)
Unemployment	1,000	548	561	572	563	573
(Unemployment rate)	(%)	(2.8)	(2.8)	(2.8)	(2.7)	(2.7)
Ratio of manufacturing	%	31.9	32.2	32.6	32.9	33.3
Industry to total GDP ratio of service	%	59.6	59.7	59.6	59.7	59.7
Industry to total GDP ratio of primary	%	8.5	8.1	7.8	7.4	7.0

Government Seeks To Strengthen Competitiveness

SK0711093090 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Nov 90 p 12

[Text] Vice Finance Minister Chin Nyom said the government is seeking a package of measures to strengthen the manufacturing industry's competitiveness in world markets by providing financial, taxation and manpower support. He made the remarks at a seminar for top management sponsored by the Korea Foreign Trade Association in Sogwipo on Cheju Island.

Under the package, tax credits for the manufacturing industry's investments in factory automation equipment will be raised from the current 10 percent to 15 percent and restrictions on bank lending to industry will be eased.

To increase fund flows to the manufacturing sector, funds the Korea Development Bank and the Industrial Bank of Korea raise by issuing debenture bonds and even postal savings will be funneled into the sector, while banks will be encouraged to foreign loans so they can increase their lending to the manufacturing sector.

The manufacturing industry's wage levels and working conditions will be improved to slow the movement of unskilled workers from the industry to the service sector.

To prevent the service industry from expanding excessively, restrictions on bank lending to the industry will be tightened, including earlier collection of loans starting in November.

Anmyon Residents Protest Nuclear Waste Dump Plan

SK0811022790 Seoul THE KOREA HERALD in English 8 Nov 90 p 2

[Text] Taean, Chungchongnam-do—More than 5,000 local residents staged a rally and street demonstrations in protest against a government plan to construct a "nuclear waste disposal site" here.

The protesting residents gathered at the intercity bus station in Anmyon-up around 11 a.m. Tuesday and marched more than 10km demanding the government "scrap its plan to establish a nuclear waste dump site."

Their protest was touched off by reports that the government is planning to build a nuclear waste dump here. A government official, however, denied the reports, only saying it is planning to build a nuclear energy-related research institute.

Most of the shopping district here was closed during the day and more than 2,000 students or about 40 percent of students attending 16 elementary and secondary schools in the town failed to attend the class in support of strong opposition to the waste dump.

Nuclear Protesters Seize, 'Beat' City Officials

SK0811094790 Seoul YONHAP in English 0851 GMT 8 Nov 90

[Text] Anmyon Island, South Korea, Nov. 8 (YONHAP)—About 300 angry islanders locked five Taean County officials in the Anmyon town office at noon Thursday to protest against Government plans to put a nuclear waste dump on Anmyon Island. The protesters, including students, captured Yi Yong-se, 47, public affairs section chief, and four other county officials who had come to observe the situation, beat them with sticks and took them away to the town hall.

The protesters seized a conference room in Anmyon town hall on Wednesday and are using it as situation room for their "struggle committee" against construction of a nuclear waste disposal site on the island. They also assaulted a reporter from Taejon who came to cover the protest.

Moderates said they would negotiate with the radicals to free the officials.

About 3,000 islanders staged a violent protest on Mt. Chogye, the site of the controversial west coast research complex that is to incorporate the nuclear waste disposal facility.

After holding a funeral for Anmyon Island, protesters torched a makeshift building and a crane. The dump plan touched off a harsh protest from the residents of this west coast island, designated a national park. Most shops are closed and many children have removed from school as part of the protest.

Kim Yong-sam Hints at Purge of Party Rivals

SK0711071990 Seoul YONHAP in English 0539 GMT 7 Nov 90

[Excerpts] Seoul, Nov. 7 (YONHAP)—Kim Yong-sam, executive chairman of South Korea's ruling party, warned again on Wednesday that he would not tolerate any challenges to party discipline.

Appearing after boycotting his responsibilities for 10 days amid feuding over the system of government and party hegemony, Kim told reporters he was sorry to the people and party members for causing trouble.

The No. 2 man in the Democratic Liberal Party (DLP) returned to his office Wednesday morning having agreed with No Tae-u, also the party president, to normalize party operations and put an end to the intra-party dispute.

He hinted at the possibility of a purge of party rivals and said DLP Secretary-General Pak Chun-pyong would soon be replaced to hold him responsible for leaking a secret document on the plan to rewrite the Constitution to adopt a cabinet system. The disclosure provoked the worst feuding within the DLP as Kim defiantly called it a plot against him.

He stressed the importance of firm party discipline, noting that No told him on Tuesday, "Any actions hurting the executive chairman should be regarded as challenges against the president."

He urged the opposition to immediately return to parliament to handle pressing issues such as the 1991 budget. "It stands to reason that the opposition should return to the National Assembly and negotiate (with us) on various pending issues as their long-standing demand for renouncing moves to adopt the cabinet system has been met," Kim said. [passage omitted]

Hardliners in Kim Yong-sam's faction, mostly young lawmakers, were unhappy with the compromise between No and Kim on ending the feud and said it fell far short of their demands, dismissing it as a temporary remedy.

Some threatened to leave the party, but Kim said discord in his faction would soon be settled. The hardliners include Reps. Kang Sam-chae, Choe Ki-son, So Chung-won, Kim Un-hwan and Kwon Hon-song.

Deputy Premier Speaks on Manufacturing Revival

SK0711070190 Seoul YONHAP in English 0532 GMT 7 Nov 90

[Text] Seoul, Nov. 7 (YONHAP)—South Korean government policies to revitalize the manufacturing industry will have top priority, Deputy Prime Minister Yi Sung-yun said Wednesday. Yi said the competitive edge of Korea's manufacturers had declined recently because of wage hikes, higher energy costs and a lack of social overhead facilities.

He told business leaders that the manufacturing sector should be the backbone of the Korean economy in the 21st century, as is the case in Japan now. "The ideal form of the economy in the 21st century for Korea is an economic structure with high industrial productivity as Japan now has," said Yi, who is also economic planning minister.

The government will change financial and taxation policies to support manufacturing companies in making facility investments and enhancing their competitive power, the deputy premier said. Development of manufacturing has been in the doldrums while the service sector has seen rapid expansion, distorting the economic structure.

Yi said the government will make efforts to solve a manpower shortage and social overheads that it is impossible for the private sector to solve. It also will continue to clamp down on real estate speculation and expand the service sector, he said.

The top economic planner said Korean products have lost competitive power in international markets both in major export items and low-priced goods because of wage hikes.

Development of the manufacturing sector will also be the focus of the Seventh Five-Year Socio-Economic Development Plan (1992-96). The output of manufacturing industries will rise from 31.1 percent of gross national product to 33.2 percent in 1996, according to the draft five-year plan announced recently. The number of people engaging in the manufacturing sector will rise from 27.1 percent of the total to 30.0 percent in 1996. Among the manufacturing sectors, capital goods industry such as parts and machinery companies will have the utmost support by the government.

Increase in Rice Purchase Price Recommended

SK0711090890 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Nov 90 p 3

[Text] The Foodgrain Marketing Council, an advisory body to the Ministry of Agriculture, Forestry and Fisheries, reportedly has recommended that the government's purchasing price of this fall's ordinary rice be raised by 10.5 percent over the 1989 level.

It also recommended that the government's purchasing price of this fall's Tong-il (improved species) rice be hiked by 5.5 percent over the 1989 level. It further recommended that the volume of this year's government rice purchase be set at 7.5 million som (one som equals 144 kilograms), including 4.5 million som of Tong-il rice and 3 million som of ordinary rice.

These figures reflect reductions from the council's recommendations last year. In 1989, the the council proposed an 11-percent price increase for Tong-il rice and a 13-percent price hike for ordinary rice, with a purchase volume of 5.5 million som for Tong-il rice and 3 million som - 4 million som for ordinary rice.

Based on the council's recommendation,the government will finalize this year's rice purchasing prices and volumes by early November to submit its final plan to the National Assembly for consent, ministry sources explained.

Rising Beef Imports 'Undermining' Industry

SK0711090290 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Nov 90 p 9

[Text] Influenced by sharply increasing demand for beef in Korea, beef imports have expanded considerably, undermining the domestic livestock industry even before the conclusion of the Uruguay Round trade negotiations.

The Ministry of Agriculture, Forestry and Fisheries, which had previously set this year's import quota for beef at 68,000 tons through negotiations with beef-exporting countries such as the United States and Australia, expanded the import quota to 80,000 tons in August due to a short supply of beef in Korea. The ministry plans to import 12,000 tons of beef from next year's import quota ahead of schedule because an unstable supply of beef is expected around the New Year season next year.

Korea's beef imports expanded from 9,300 tons in 1988 to 54,000 tons last year and have further expanded by about 50 percent to 92,000 tons this year. As a result, more than 50 percent of the domestic beef market is being eroded by imported beef due to the domestic supply-and-demand problems, while the government is trying hard to protect the domestic beef market by designating beef as an item of NTC (non-trade concerns).

Government Predicts 'Bumper' Rice Crop

SK0711023790 Seoul YONHAP in English 0153 GMT 7 Nov 90

[Text] Seoul, Nov. 7 (YONHAP)—South Korea's rice harvest was forecast to be over 5.6 million tons this year, the 10th bumper crop in a row, according to the Agriculture, Forestry and Fisheries Ministry. A survey of 25,000 sample areas nationwide found 10,080 tons over the yearly average, but the amount fell short of last year's 5.9 million tons because of a smaller planted area and devastating rain in September, the Ministry said.

Output averaged 451 kilograms per 0.1 hectares, down 19 kilograms or 4 percent from last year, but was off more than 15 percent in rain-hit Kyonggi and Kangwon Provinces. Production was down between 2 percent and 8 percent in South and North Chungchong Provinces, North Cholla and Kyongsang Provinces, and Cheju Island. It increased 3.8 percent in South Cholla and Kyongsang Provinces, where it was affected by typhoons and heavy rainfall.

The Ministry said rain after rice-planting, high temperatures and sunshine in September and October also helped the harvest.

Acreage devoted to rice was 12,400 hectares smaller than last year at 1.242 million hectares.

Government Cuts Rice Price To Reduce Inventory

SK0711090490 Seoul THE KOREA ECONOMIC JOURNAL in English 5 Nov 90 p 7

[Text] In an effort to reduce excess inventories, the government will sell state-held rice at lower prices. The government will sell 2.7 million som (one som equals 144 kilograms) of state-held rice produced during the 1985 - 1987 period at 20,000 won per 80kg bag, half the current retail prices.

A government official said that inventories of state-held rice amounted to 13.1 million som as of the end of October, far in excess of the proper level.

Current retail prices of state-held rice produced in 1985, 1986 and 1987 are 43,280 won, 47,130 won and 50,520 won, respectively, per 80kg bag. Inventories of state-held rice produced in 1985, 1986 and 1987 amount to 173,000 som, 1.42 million som and 1.139 million som, respectively.

* Business Leadership in Transition

902C0301A Seoul CHUGAN MAEKYONG in Korean 2 Aug 90 pp 60-63

[Article by reporter Kang Chong-ku: "Business World Swept by New Wind of Generation Change; Leadership Shifting to Second-Generation Business Heads, Elders-Led Federation of Korean Industries Under Pressure"]

[Text] Is generation change really coming to the business world?

Lately, as the business world has lost its leaders and dissensions have deepened between new and old forces, moves toward forming new organizations led by second-generation business managers and middle-class entrepreneurs have gained momentum, drawing extraordinary concerns of economic circles.

The Korea Committee for Economic Development, created in 1987 but not heard about since then, recently regrouped and is in haste to reopen its activity. Meanwhile, young second-generation business heads in their forties have lately been having their "self-help gatherings" on a regular basis in a show of initiative toward forming a new organization for themselves. In addition, independent professional managers came up with their demand for a new image of entrepreneurs and are increasing their voices, although they have not yet reached the point of forming a force of influence.

"Self-Help Gatherings" Now on Regular Basis

A sweeping new wind of generation change is now ripping through the business world long dominated by conglomerates' elderly heads.

What is behind this challenge of new rising forces to the old leaders once viewed as representing a sanctuary sacred and inviolable? What is driving them toward forming new organizations?

A majority of business personalities would look for answers to these questions in the protracted, deep-rooted dissensions between the elderly business heads and the middle-class entrepreneurs led by second-generation managers.

Dissensions that are occurring between the new and old generations began with the fact that the Federation of the Korean Industries [FKI], led by senior business heads, has failed to represent the interests of business circles. Especially, the Yu Chang-sik - Choe Chang-nak leadership that set out amid high expectations generated by their non-owner backgrounds has proved to be disappointing in its performance, causing the younger generations to voice strong dissatisfaction.

Furthermore, some second-generation managers have been strongly dissatisfied with the elections of FKI vice presidents held in February last year. Kim Sung-yon, chairman of the Korea Explosives Group, and Kim Chung-won, chairman of the Hanil Group, have been unhappy with the elections of Ku Pon-mu, vice chairman of the Lucky-Goldstar Group, and Sin Myong-su, chairman of Dong-Bang Corporation. In the case of Kim Sung-yon in particular, he loudly complained because his father, now deceased, was forced to remain a managing director in FKI—a treatment unbecoming of his position in the business world and the size of his business—on the grounds that he had played no major role in FKI activities. According to views prevailing in business communities, the fact that Ku Pon-mu was only 45 years old and, in Sin Myong-su's case, his business is not even big enough to make the top-100 list must have made them [Kim Sung-yon, Kim Chung-won and the like] unhappy.

For these complex reasons, these second-generation managers have been uncooperative with FKI programs. They have shown indifference to such an extent as to default membership due payment.

This led FKI President Yu and Vice President Choe to invite second- generation managers including Ssangyong Group Chairman Kim Sok-won, Sammi Group Chairman Kim Hyon-chol and Hanil Group Chairman Kim Chung-won to a meeting with them to appease them. But the younger managers' distrust of FKI was not resolved.

The unhappiness of conglomerates' second-generation leaders escalated as the government intensified its crackdown this year on speculative dealings in real estate by big businesses, making its negative attitude toward younger-generation entrepreneurs increasingly visible.

Second-generation entrepreneurs, feeling a sense of crisis, put the blame on FKI, accusing it of incompetency and failure to act as a windbreak. Eventually, for the reason that FKI is virtually run by businesses' founding fathers, they began insisting that those elders should bear the whole responsibility for the present situation.

Their complaints thus accumulated are now at work as the biggest factor stirring second-generation managers and middle-class entrepreneurs to form new economic organizations.

In fact, whenever FKI creaked and squeaked unable to represent the interests of business circles, it gave rise to a demand that its head should be a second-generation manager. At the same time, widespread rumors even had it that a "second FKI" was being formed under the initiative of second-generation leaders.

No Dialogue Between Them

In this respect, the meeting of second-generation managers held on 20 June at Hotel Shilla marked an event deserving a strong spotlight.

At the meeting, nine second-generation leaders of conglomerates—among them, Samsung Group Chairman Yi Kun-hui, Hyosung Group Chairman Cho Sok-nae, Ssangyong Group Chairman Kim Sok-won, and Kumho Group Chairman Pak Song-yong—expressed a sense of crisis in significantly strong terms concerning the administration's negative attitude toward second-generation business managers.

There was also a barrage of criticism at the meeting that FKI's responses before and after the recent government action forcing 10 major conglomerates to sell some of their real estate was simply too weak. It is also known that some even suggested reform of the current non-owner leadership of FKI. The younger leaders also reportedly accused FKI intensively of failure to fully represent the views of business circles over a series of pending economic issues such as those concerning land ownership and use of real names in financial dealings.

According to reports, the meeting, most significantly, had an in-depth debate on severing dialogue with elders representing the founders of businesses and running FKI for all practical purposes; some hard-liners even said that "the FKI leadership should take responsibility for the development one way or another."

Taking a step further, those second-generation leaders of conglomerates agreed that a shift in generation is urgently needed to overcome the current crisis. They also reaffirmed, they say, that they will continue to hold regularly their self-help-type gatherings to make their voices heard.

The meeting thus signalled the start of an organized resistance by younger managers against senior leaders.

At any rate, it is thought that led off by that meeting on 20 June, second-generation managers' gatherings will grow increasingly active. In view of the fact they are the runners chosen to shoulder the future Korean economy, their moves have become the eye of a typhoon now ripping through the business world.

There had been intermittent gatherings of second-generation entrepreneurs since the first days of the Fifth Republic when they began showing up as leaders of business groups.

Among those who met frequently in those days were Kim U-chung, chairman of the Daewoo Group, who was not a second-generation leader but one of those not treated as an "elder" within FKI; Pak Song-yong, chairman of the Kumho Group; Kim Sok-won, chairman of the Ssangyong Group; and Pak Kon-pae, chairman of the Haitai Group.

However, in a world dominated by the founding fathers of businesses, people were wary of them and some elders actually advised against their gatherings taking on an active role, which thus failed to materialize.

After the start of the Sixth Republic, as labor-management disputes spread and public criticism of conglomerates gained strength, second-generation business managers began feeling the need to revive their gatherings and hold active contacts with one another. They reached agreement that they should unite as the real power of the business world, taking a step further from the level of mere exchange of information about the groups' management activities.

Until recently, while unable to make it open, they had been meeting in three or four small groups and kept mum about it. All in all, moves of second-generation business managers toward forming new organizations are not a thing that has just started.

Currently, the most active group of second-generation conglomerate leaders is the YPO Korea Chapter.

YPO—Young Presidents Organization—is a friendship get-together of second-generation business managers.

An organization started by a young New Yorker in 1950 to run successfully the business he inherited from his parents, YPO now has 7,200 members in 125 countries. Presently, YPO Korea has 35 regular members and 15 special members.

Second-Generations Pivot of YPO Korea

YPO Korea is attracting attention because its members are mostly second-generation leaders of conglomerates, its pivot is formed by people rising rapidly in the business world—and, in particular, its present members will probably be able to form a new economic organization at any time they choose to do so. In fact, a look at YPO Korea members will reveal this common characteristic: they are mostly conglomerates' second-generation leaders, namely, the business world's "rising stars."

Presently, YPO Korea is chaired by Yi Un-hyong, president of Pusan Steel Pipe Corporation; its vice chairmen are Kim Hyon-chol, chairman of the Sammi Group, and Kim Yong-chi, president of Nam-Sung Shipping Company.

Members include many big business group leaders such as Kim Sung-yon, chairman of the Korea Explosives Group; Pak Yong-il, chairman of the Dainong Group; Sin Myong-su, chairman of Dong-Bang Corporation; Cho Uk-nae, chairman of Taejon Leather Industries; and Hyon Chae-hyon, chairman of the Tongyang Group.

Regular members also include Kim Sang-ung, president of Samyang Company; Kim Sok-chun, president of Ssangyong Construction; Chong Mong-yun, president of Hyundai Marine & Fire Insurance Company; Pak Sam-ku, president of Kumho & Company; Yi Tong-po, president of Kolon Express Tourist Company; Choe Yong-kwon, president of Samwhan Corporation; and Yi Chun-ho, president of Choongnam Spinning Company.

Also on the list of regular members are Kim Song-tu, president of Taehan Fire and Marine Insurance Company; Kim Yong-ho, president of Ilshin Spinning Company; Kim Hui-yong, president of Tong-Yang Moolsan Company; Pak Mun-hyo, president of Chosun Brewery Company; Yi Su-yong, president of Dong-Yang Chemical Company; and Ho Yong-sop, president of Green Cross Company.

Of those regular members, Kim Sung-yon, Kim Hyon-chol and Hyon Chae-hyon have already shown their outstanding management capabilities and are regarded as next-generation leaders of the Korean economy. Also, Sin Myong-su—the eldest son of Sin Tok-kyun, honorary chairman of Dong-Bang Corporation—was recently catapulted to FKI vice chairmanship and is among big business figures now.

Chong Mong-yun is the seventh son of Chong Chu-yong, honorary president of the Hyundai Group. Kim Sang-ung is also the seventh son of the late Kim Kye-su, who founded the Samyang Group. They have become the business world's fresh breeze.

Kim Sok-chun, the second son of the Ssangyong Group founder Kim Song- kon, is No. 2 man of the Group, next to its chairman, Kim Sok-won. Pak Sam-ku is the third son of the late Pak In-chon, founder of the Kumho Group.

Yi Tong-po, the second son of the Kolon Group founder Yi Won-man, and Cho Uk-nae, the third son of the Hyosung Group founder Cho Hong-che, are also among YPO members regarded as promising future leaders.

Thus, YPO embraces all these conglomerates' second-generation leaders regarded as the business world's new generation. Internationally, it is but part of a global organization but, viewed from the standpoint of domestic business circles, it is highly possible that YPO Korea can rise as an awfully powerful organization at any time it chooses to do so. That is why it is currently attracting the intense gaze of business circles.

It is also for the same reason that many business leaders maintain a careful watch on YPO's moves, with high interest.

Nevertheless, a YPO member, commenting on the way the business world views YPO, says: "YPO is as yet a mere friendship group and it is unreasonable to pin exceedingly high hopes on in it."

At any rate, at least it is true that the business world has its feelers stretched to the full for the moves of YPO which is rising as a new power.

Another development attracting concern is the wriggling under way for the forming of Korea Committee for Economic Development—a similar move in 1987 proved abortive.

The forming of the Korea Committee for Economic Development was first proposed by some 50 FKI member companies in late 1986 to put a brake on the one-man rule of Chong Chu-yong, then FKI president. The proposal then died down when Chong Chu-yong retired as FKI president. The move revived and has become visible again recently.

Taking advantage of a disoriented, split business world, middle-class entrepreneurs took the lead and, at a meeting in late June, resolved to start this new organization early next year without fail.

Move for "Committee for Economic Development" Vigorous

Fifteen middle-class entrepreneurs—such as Pak Un-tae, chairman of Mijoo Industry Company; Chang Ik-yong, chairman of Sogwang Industry Company; Kim In-tuk, chairman of the Byucksan Group, and Cho Nae-pyok, chairman of Life Construction Company—have lately been active with plans to form the Committee for Economic Development, stressing the need to promote specialization by groups in order to arouse public opinion against the business world, FKI in particular, revolving around big businesses, leaving no room for middle-class entrepreneurs, and against conglomerates which are hell-bent on expanding their business lines like an octopus spreads its arms.

Business circles regard the formal start of the Committee for Economic Development as a matter of time now. When gatherings for the inauguration become active and visible again, however, they will inevitably lead to frictions with the FKI leadership, which has totally been opposed to them.

Meanwhile, independent professional entrepreneurs who have lately firmed up their positions—although they have not yet reached the point of forming a force of influence—are drawing attention by intensifying their rhetoric on what they call a new image of entrepreneurs. Those professional managers who, in the Korean economy where there is no separation of ownership and management as yet, are still unable to become a factor of influence, demand a guarantee for management guided by judgment and independent from the owner.

It is still premature to jump to the conclusion that second-generation managers, middle-class entrepreneurs and independent professional managers will take the lead and form new economic organizations shortly. Nevertheless, with the business leadership shifting from the hands of the founding fathers to the second generations, the voices of second-generation managers, middle-class entrepreneurs and independent professional managers will likely become louder and, consequently, the generation change in the business world will gain momentum. The future development in this respect is being watched with keen interest.

Burma

UN Envoy Briefed on City Development Work

BK0711145290 Rangoon Domestic Service in Burmese 1330 GMT 7 Nov 90

[Text] Professor Sadako Ogata, an independent expert from the United Nations Human Rights Commission, and Mr. (Jacob Muller), a senior official from the United Nations Human Rights Commission in Geneva, in the company of U Aung Phone, director general of the Urban and Housing Development Department, and U Pan Aung, secretary of the Yangon [Rangoon] City Development Committee, visited the new Dagon satellite town this morning. Professor Sadako Ogata and her party studied the suspension bridge of the satellite town and the new bridge project across Nga-Moe-Yeik stream on Parami Road of Dagon satellite town. Director General U Aung Phone showed the guests around.

Next, Professor Sadako Ogata and her party visited the Myanmar [Burma] Timber Enterprise Office in Dagon town where they were met by responsible officials of different ministries and by Colonel Win Naing, commander of the No. 2 Military Region. Director General U Aung Phone explained in detail the new Dagon town, discussing the allocation of land to public service personnel and squatters and the efforts to improve land, water supply, road and bridge construction, power supply, and communications programs. Briefings were also given with charts on the settlement programs at Dagon, Shwepyitha, and Hlaing Thaya satellite towns and on the expenses and state-funded projects. Professor Sadako Ogata's questions were answered.

Professor Sadako Ogata later toured the northern and southern parts of Dagon satellite town by car before departing at 1100.

At 1400, Professor Sadako Ogata and her party studied the work of the Yangon City Development Committee. Committee Secretary U Pan Aung introduced Joint Secretary U Kyaw Win and the other responsible officials to the professor. A briefing was given on how Yangon Municipal became the Yangon City Development Committee. Videotapes, photographs, and charts were used in explaining the road, bridge, market, and park renovation and expansion projects. Next, questions raised by Professor Sadako Ogata and Mr. (Jacob Muller) were answered by Secretary U Pan Aung, U Kyaw Shein of the Markets Division, and U San Tun, head of the Water and Sanitary Works Division.

Later, Professor Sadako Ogata and her party were driven by car along the Strand Road and to Yangon Port, areas around Kandawgyi Lake and Shwedagon Pagoda, and to Myaing Hewun Park.

AFP: NLD Official Says Party in 'Disarray'

BK0811095890 Hong Kong AFP in English 0940 GMT 8 Nov 90

[Text] Bangkok, Nov 8 (AFP)—The National League for Democracy (NLD), Burma's leading political party, is in total disarray after mass arrests and intimidation of its leaders, an NLD district organiser said here Thursday. The organiser, from the south of Burma, who asked not to be identified, said all contact had been lost with headquarters in Rangoon, making it almost impossible for the party to function.

"The NLD is still alive, but only just. There is no order and we do not know in the districts what is happening. It is very hard to survive," he told a press conference. And he admitted that what leaders are left following the military crackdown, are seriously considering setting up a government in exile on the Thai-Burma border. "But I don't want to give any details at present. It would be too dangerous," said the man.

The NLD swept general elections in May but the military State Law and Order Restoration Council (SLORC), which took power in a bloody coup in 1988, has refused to hand over power.

Since the elections the SLORC has put pressure on the NLD which climaxed last month in a series of raids in which many of its leaders were arrested and its offices sealed. "There are only four central committee members still free," said the organiser, here for a four day visit to meet with anti-government groups living in Bangkok and on the border in exile.

He added that the report of United Nations Human Rights Commission Special Envoy Sadako Ogata, who is presently visiting Burma, would be vital in helping the NLD survive. "It will be very helpful if she exposes the government's human rights violations. It will show the world what we are up against," said the party organiser, a former officer in the army.

He said there were other senior officers still in the Armed Forces who were sympathetic to the NLD. "But they are scared to show it. They are even afraid to talk to each other, to share their ideas," said the man.

The NLD organiser was accompagnied by San Tin Kyaw, a 24-year-old student, who fled Burma last year after being picked up and tortured by military intelligence. San Tin Kyaw, a member of the Burma Revolutionary Forces, told how he had undergone the infamous 'motor bike' ride—a special form of the torture used by the junta. "I was forced to squat as if riding a motor bike, my hands out in front of me. There were tacks on the ground so if I [got] tired and my knees touched the ground the tacks would stick into me. At the same time they beat my shins," said San Tin Kyaw.

He also told how he had been bayoneted and then, before his wound was properly healed, soldiers started prodding it with a stick of bamboo.

San Tin Kyaw said the torture of dissidents by the junta was on the increase but despite the risks there was a network of students travelling the country, gathering imformation and passing on what was happening in other regions. "They will never give up the struggle for freedom," he said, adding that in the past few weeks he had heard from contacts that several of his friends still in Rangoon had recently been picked up by troops.

Earlier this week Amnesty International, in a special report, described Burma as a country turned into a secret state of terror by the SLORC and called for what it described as the "veil of secrecy" to be lifted.

Brunei, Malaysia & Singapore

Singapore

Lee Says U.S.-ASEAN Accord 'Years Away'

BK0811081690 Hong Kong AFP in English 0750 GMT 8 Nov 90

[Text] Singapore, Nov 8 (AFP)—Agreement on a broad program of economic cooperation between the United States and the Association of Southeast Asian Nations will require "major concessions" and could be years away, Singapore Prime Minister Lee Kuan Yew said.

Mr. Lee also told AGENCE FRANCE-PRESSE and the French newspaper LA TRIBUNE DE L'EXPANSION that despite policy decisions in Western Europe to divert some investment funds to Eastern Europe, private capital would still find Asia more attractive.

The Singapore leader made his remarks in an interview Wednesday ahead of the arrival of French Prime Minister Michel Rocard on a two-day visit for talks expected to include a discussion of the economic picture in Europe.

Mr. Lee expressed optimism for the eventual success of negotiations on the U.S.-ASEAN initiative first floated two years ago to liberalise trade and enhance economic cooperation between Washington and the region. But he added that "it depends upon the willingness of both sides to make major concessions to its trading partners," such as a freeze and rollback of many tariffs that have protected domestic industries. "But it will come," he said. "It will take a few years, I think. Talks may go on for a few years."

ASEAN, set up in 1967 to promote regional economic cooperation, groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

On another matter, Mr. Lee supported U.S. firmness in sticking to its embargo on trade and investment with Vietnam despite calls by some American businessmen and legislators for moves to relax restrictions. He said pressure must be maintained on Vietnam and the Hanoi-installed government in Phnom Penh to cooperate in a settlement of the conflict in Cambodia. "I think to ease up before they have agreed... is unnecessary."

On Europe, Mr. Lee said that Asia would lose some investment funds from Western Europe that are being diverted to the Soviet Union and Eastern Bloc countries to help them develop after the upheavals of the past year. "This was expected and what is interesting is that it had to be on special terms of credit. If it were private investments then they will go to where the rate of returns are highest," he said.

"I believe their returns will be higher investing in the NIE's (newly indusrtrialised economics) and in ASEAN than in Eastern Europe because they will take two, three, maybe four, five years to get the system changed and the people re-orientated to market incentives."

Among the topics likely to be discussed with Mr. Rocard is negotiations to reduce farm subsidies under the Uruguay round of the General Agreement on Tariffs and Trade which is due to wind up in Geneva next month.

France has been seen as one of the hardliners in the European Economic Community (EEC) which finally offered Tuesday to cut farm subsidies by 30 per cent for the period 1986 to 1996. Mr. Lee said the offer was "less than half way of the request to cut it back by 75 per cent by the Cairns Group (of food exporting nations) but it is a start." He said that collapse of the GATT process would de facto mean the emergence of three blocs around the U.S. dollar, the European currency and the Japanese yen "which is less of a world and much more of a truncated world than there needs to be."

Lee on Japan's Deployment in Gulf, U.S. Bases

BK0811124690 Hong Kong AFP in English 1235 GMT 8 Nov 90

[Text] Singapore, Nov 8 (AFP)—The United States may be pressing Japan to send troops to the Gulf, but the prospect still raises a twinge of concern and "ancient memories" in Singapore Prime Minister Lee Kuan Yew. Mr. Lee, who lived through Japan's occupation of Singapore, thought hard before answering a question Wednesday on the possibility of Tokyo contributing to the multinational forces opposing Iraq after its invasion of Kuwait.

"Well, as part of a U.N. Peace-Keeping or Peace-Upholding Force, it's less of a worry," he said in an interview with AGENCE FRANCE-PRESSE and the French newspaper LA TRIBUNE DE L'EXPANSION. But the 67-year-old leader added: "For people of my generation who remember 1941 to '45 it always arouses ancient memories."

Asked whether things had changed since then he said: "You know (19th century French novelist) Marcel Proust's famous words... the more it has changed, the less it has changed."

The Japanese Government had tried to push through a bill clearing the way for the deployment of lightly armed non-combat troops to Saudi Arabia in a support role, but withdrew the measure in the face of fierce domestic opposition.

Meanwhile, Mr. Lee expressed confidence that Singapore would reach agreement with the United States on the expanded use by the U.S. military of air and naval facilities here for repair and maintenance. Singapore offered the facilities in August of last year to reduce U.S. dependence on military bases in the Philippines. But press reports suggested the talks were snagged on the issues of fees and legal jurisdiction over U.S. servicemen.

Mr. Lee said of the legal question that "I think that's being resolved" but did not elaborate. As to the matter of payment, he said "there was no question of any fees from the word go.... That question never arose."

Cambodia

Paper Marks Soviet Revolution Anniversary

BK0611124090 Phnom Penh SPK in English 0429 GMT 6 Nov 90

[Text] Phnom Penh SPK November 6—"Motivated by the Great Russian October Revolution and in the light of Marxism-Leninism, the three peoples of Indochina put up a common struggle to liberate their countries from colonialism and imperialism and win back their national independence."

This came from an editorial of PRACHEACHON (People)—organ of the People's Revolutionary Party of Kampuchea—welcoming the 73d anniversary of the Great Russian October Revolution.

After recalling some milestones in the Soviet people's struggle for the final victory of the Great October Revolution, PRACHEACHON expressed the Cambodian people's gratitude to the party, government, and people of the Soviet Union for their whole-hearted assistance to the just cause of the Cambodian people.

PRACHEACHON said: "The Soviet Union was one of the first countries which officially recognized the Government of the State of Cambodia and condemned the genocidal regime of Pol Pot, Ieng Sary, and Khieu Samphan after the country's liberation on January 7.

"Though still faced with difficulties in its socio-political affairs, the Soviet Union has rendered effective assistance and aid to the Cambodian people's efforts for revival.

"As the mainstay of peace and liberation movements and a permanent member of the UN Security Council, the Soviet Union has taken a correct stance in the search for a political solution to the Cambodian conflict on the principles of respecting the independence, sovereignty, territorial integrity, and self-determination of the Cambodian people, and preventing the genocidal Pol Pot clique's return to power in the country.

"Celebrating the 73d anniversary of the Great Russian October Revolution, the party and people of Cambodia are very proud of the courageous determination of the Communist Party of the Soviet Union to overcome all difficulties and trials in the building of an internationalist, democratic, and humanitarian socialist society.

"We hope that, with their tradition of heroic struggle, the Soviet people, who have won resounding victories for their nation and for the oppressed people in the world, will continue upholding the banner of victory and unity around the CPSU, get rid of all negative phenomena, and take new steps forward.

"At a time when the party, army, and people of Cambodia are struggling to defend their independence, sovereignty, and territorial integrity against the recurrence of Pol Pot's genocidal practices and to bring about lasting peace in Cambodia, the State of Cambodia is resolved to further consolidate and develop the friendship and solidarity between the parties, governments, and peoples of Cambodia and the Soviet Union," PRACHEACHON concluded.

Trade Unions Delegation Leaves for Moscow

BK0611122590 Phnom Penh Domestic Service in Cambodian 0430 GMT 6 Nov 90

[Text] A delegation of the Kampuchean Federation of Trade Unions [KFTU] led by its chairwoman, Comrade Men Sam-an, member of the party Central Committee Political Bureau, left on the morning of 5 November for attending the 12th congress of the World Federation of Trade Unions to be held soon in Moscow, the Soviet Union.

Seeing off the delegation at Pochentong Airport were, among the others, Comrade Lay Samon, vice chairman of the KFTU, as well as several cadres and staff from the KFTU office.

Vietnamese Ambassador Comrade Ngo Diem and Soviet Charge d'Affairs Comrade Yevgeniy Bazdyrev were also present.

Heng Samrin Greets First Video-Film Festival

BK0711034290 Phnom Penh Domestic Service in Cambodian 0430 GMT 6 Nov 90

[Text] On 4 November, Comrade Heng Samrin, secretary general of the Kampuchean People's Revolutionary Party Central Committee and chairman of the Council of State of the State of Cambodia, sent a greetings message to the first Cambodian video-film festival opening at the Basak Festival Hall. The message notes:

On behalf of the party and government and in my own name, I would like to express warmest congratulations to the artistic leaders, cadres, and personnel of the Ministry of Information and Culture as well as the masses—the producers, authors, directors, actors, musicians, and many other specialists outside the state circles—for having made immense efforts and contributions, morally, materially, technically, and financially, to the production of such notable products and feats, particularly to the success of today's first video-film festival to enhance the quality of the entertainment work for serving the requirements of our society in boosting the people's educational, political, and moral standards to a further extent.

At the same time, I would like to express a very warm welcome to the presence of the delegations of the fraternal SRV and the Lao People's Democratic Republic. This is a high honor for this first video-film festival.

The actors, artists, and specialists in the entire cultural circle both inside and outside the state framework have been fulfilling their role as combatants fighting tirelessly in the ideological and cultural fields and as doctors treating all kinds of moral exhaustion, thus creating a new social atmosphere of joyfulness and preventing the inflow of vulgar and inactive culture that may harm our national values. Therefore, male and female combatants in the cultural field—male and female artists and specialists—should strive to increase their creativity to enhance the vivacious part of this work and reduce its inactive part to preserve our nation's traditions, customs, and values. They would thus render themselves worthy of being the ones to succeed and protect the Angkor civilization.

I hope this festival will contribute to revitalizing our national soul and color like a new flower in a colorful garden, that is, a new achievement by those who pledge to resolutely defend our nation's artistic and cultural establishments. These establishments are developing in accordance with the new ideological line set by the Kampuchean People's Revolutionary Party in the cause of defending and building our Angkor motherland.

Enemy Casualties in Kampot Province Reported

BK0711061790 Phnom Penh SPK in English 0433 GMT 7 Nov 90

[Text] Phnom Penh SPK November 7—In October this year the Government troops in Kampot Province (150 km southwest of Phnom Penh) killed 14 enemy troops, wounded nine, captured two and forced 14 others to surrender. They also seized four rifles and a quantity of ammunition.

In the same period, 16 underground enemy agents were detected.

In the first nine months of this year, the government troops in Kampot wiped out a total of 117 enemy soldiers, wounded 113, captured 81 and forced 112 others to give themselves up. They seized 10 rifles, 15 mines and a quantity of other war means, and destroyed 236 enemy shelters.

Sihanouk Receives Message From Kim Il-song

BK0811044790 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 7 Nov 90

[26 October Greetings from DPRK President Kim Il-song to Sihanouk on the latter's 68th birthday]

[Text] Pyongyang, 26 October 1990 to Samdech Norodom Sihanouk, president of Cambodia

Respected and beloved Samdech and friend:

I am very happy to see you celebrate your 68th birthday in our country. On behalf of the DPRK and the Korean people, and in my own name, I take this opportunity to express warm congratulations and greetings.

As a true patriot and an important leader of the Cambodian nation, you have made a life-time sacrifice for your motherland and the Cambodian people by waging a vigorous and sacred struggle for Cambodia's sovereignty and independence and for national survival.

Progressive people throughout the world are currently paying attention to solving the Cambodian problem politically and peacefully. They have particularly paid attention to your patriotic activities. We believe a just solution to the Cambodian problem requires the quick establishment of the Cambodian Supreme National Council with you as head. We believe through a firm and long-standing struggle to endure all kinds of hardship and suffering under your leadership, Cambodia will soon get back independence, neutrality, peace, and cooperation and that you can certainly return to your beloved motherland.

We are most satisfied to have established with you since the beginning friendly and fraternal relations, nurtured them, and have been faithful to our friendship. Our relations will be firm and will further develop.

On the happy occasion of your birthday, I would like to wholeheartedly wish you other great successes in your future missions for Cambodia's 100 percent independence, for the Cambodian nation's glory, and for the happiness of your noble family. Please accept my noble sentiments.

[Signed] Kim Il-song, president of the DPRK

People Urged To Use Elections To Oust Regime

BK0411062890 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 3 Nov 90

[Political commentary: "The Duties of the Cambodians at the Final Stage"]

[Text] Free elections in Cambodia will mark the final stage in the settlement of the Cambodian problem. The destiny of the Cambodian people, the generations to come, and the Cambodian motherland completely depend on the Cambodians of this generation, meaning the future depends on the outcome of elections in Cambodia. For the election results to genuinely represent the wishes of the Cambodian people, the voting procedure should provide the Cambodians with a sufficient prospect to elect a government that truly represents the Cambodian nation and interests.

Lately, we have seen that Vietnam and the communist regime it has installed have ceaselessly opposed a plan to allow the Cambodian people to vote freely. Because of objections from Vietnam and the Heng Samrin group, efforts to search for a political settlement of the Cambodian problem have been deadlocked. Since the Vietnamese reject the Cambodian people's right to self-determination through free and fair elections, Cambodia can never bring the Vietnamese policy of aggression to an end. To overcome the obstinacy of the Vietnamese and the Hun Sen group, His Royal Highness Samdech Norodom Sihanouk and His Excellency Son Sann, the leaders of the Cambodian noncommunist resistance, have conducted a worldwide campaign to urge the international community to accelerate efforts toward a settlement that will guarantee the Cambodian people's right to self-determination.

Finally, the Big Five—the permanent members of the UN Security Council—have formulated a peace plan for Cambodia. The implementation of the plan is the objective the Cambodian resistance has tried hard to reach.

We have seen that Vietnam and the Hun Sen group have already accepted the plan. We have noted the Hun Sen group has not welcomed it with goodwill, because Vietnam in fact needs to preserve the regime, which represents its policy in Cambodia. If we are not confused, the Hun Sen group is always dreaming of being seated on the throne propped up by the Vietnamese. Therefore, it is strongly expected that, with the holding of elections in Cambodia under the UN peace plan, Vietnam and the Hun Sen group would, no matter what, use some strategy to maintain their illegal authority. If their dirty trick is realized, the most serious consequences will inevitably befall the Cambodian motherland. If authority is delegated, however, to the United Nations in keeping with the peace plan forged by the Big Five, the foul play of the Vietnamese and the handful of Cambodians will certainly be defeated.

The duty of the Cambodians in the elections is to adhere to what is right, meaning that when elections are held—elections being the final stage where decisions will be made about the Cambodian motherland—each Cambodian should use his ballot as a weapon to remove the regime, which exclusively represents Vietnamese policy, from Cambodia once and for all.

VONADK on Situation Around Battambang Town

BK0811032090 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 7 Nov 90

[Excerpt] The Vietnamese enemy has about 1,000 Vietnamese soldiers and about 700 Hun Sen-Heng Samrin puppet soldiers operating east and south of Battambang provincial town aimed at attacking our national resistance forces. However, they have been routed by our forces on every front.

The forces of the Vietnamese enemy and Hun Sen-Heng Samrin puppets have been routed because:

1. The national resistance forces used guerrilla methods in their attacks. They constantly attack the enemy from the front, the back, and the flank, preventing the Vietnamese enemy from carrying out activities.
2. The national resistance forces use political weapons to attack the Vietnamese enemy and puppets by urging people, militiamen, and village administrative staff of the Vietnamese enemy to use three weapons: the three do not's, the three do's, and the three weapons, as well as the weapon of the Supreme National Council to dismantle the state authorities of the Vietnamese enemy in villages.
3. A large number of Vietnamese and Cambodian soldiers, forced to serve the Vietnamese enemy, are afraid of carrying out activities to oppose the national resistance forces. Therefore, they just report through radio to their puppet commanders that they reach certain places; in fact, they only get out of the Vietnamese and puppet commanders' sight.

Cambodian soldiers, militiamen, and administrative staff, forced by the Vietnamese enemy and Hun Sen-Heng Samrin puppets to serve the policy to massacre the Cambodian nation, are currently deserting and avoiding the battlefield. [passage omitted]

SRV Troops 'Routed', 'Killed' in 5 Nov Battle

BK0811032490 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 7 Nov 90

[Text] On 5 November, 200 Vietnamese soldiers and 100 Hun Sen-Heng Samrin puppet soldiers left Boeng Ampil adjoining Route 10 [Battambang Province] in an attempt to retake Chheuteal Puoy from us. After a one-hour battle, our national resistance forces routed all these troops of the Vietnamese enemy and their puppets and lackeys. Three bodies were left on the battlefield; a number of others were wounded and taken away.

The bodies of Vietnamese soldiers, which the Vietnamese enemy did not have time to retrieve, are those of young persons with a fair complexion. In the pockets of each body are photographs of the victim and Vietnamese women wearing Vietnamese dress and hat.

Laos

Delegation Leaves for Cambodia Talks in Jakarta

BK0811124390 Vientiane Domestic Service in Lao 1200 GMT 8 Nov 90

[Text] The delegation of the Government of the Lao People's Democratic Republic [LPDR], led by Deputy Foreign Affairs Minister Soulivong Phasitthidet, left Vientiane for Jakarta, Indonesia at noon today to attend a meeting on the settlement of the Cambodian problem. The meeting will begin in Jakarta on 9 November.

Before departing for Jakarta, Deputy Foreign Affairs Minister Soulivong Phasitthidet said the meeting on the settlement of the Cambodian problem this time is convened with the joint efforts of many countries concerned and at the invitation of the cochairmen of the meeting—the foreign ministers of Indonesia and France. In addition to the four rival Cambodian factions, the meeting will be attended by the delegations of the UN Security Council's five permanent member countries as well as of many other countries concerned.

Regarding the settlement of the Cambodian problem, the deputy foreign affairs minister said the most important thing is the respect for the right to self-determination of the Cambodian problem in resolving their own internal affairs. However, the document, which was earlier agreed upon by the UN Security Council's five permanent member countries, can be used as one of the many fundamental documents that will lead to achieving an overall, just, and correct settlement of the Cambodian problem through political means. As for the LPDR, we always support the settlement of the Cambodian problem through political and peaceful means without confrontation. We support and welcome all relentless efforts made and constructive and reasonable proposals advanced by the State of Cambodia. The LPDR Government is ready at all times to do our utmost to contribute to seeking ways to resolve the Cambodian conflict as soon as possible.

Foreign Aid 'Effectively Used' by Municipality

BK0611123090 Vientiane KPL in English 0855 GMT 6 Nov 90

[Text] Vientiane, Nov 6 (KPL)—The Vientiane Municipality has effectively used the foreign assistance in the forms of grants and loans which it has received over the years since the open-door policy being introduced.

Among the foreign-supported projects implemented, some of which were already completed, are the motor pump project financed by Holland through the Mekong committee, the passenger bus service project by Japan, the urban survey and planning project by the UN, the Mekong bank erosion protection project by Australia, the leather tanning project by the UN, and the sugar production project with a capacity of 2,000 tonnes a year by the World Bank's loan.

In addition, there are many other projects for socioeconomic development underway within the municipal area.

The Vientiane Municipality has also stepped up its economic cooperation with Vietnam and Cambodia. At the same time, it has promoted its cooperation with the Chinese Yunnan and Guang Dong Provinces in trade, agriculture and industry.

Soviet Aid in Road Repair in Savannakhet Noted

BK0611125090 Vientiane KPL in English 0859 GMT 6 Nov 90

[Text] Vientiane, Nov 6 (KPL)—Lao Deputy Minister of Communication, Transport, Post, and Construction Seun Phetsanghan and Soviet Deputy Minister of Communication of the Russian SFSR [Soviet Federated Socialist Republic] Alek Aleksev, when inspecting the condition of Road No. 9, saw that some sections of the road needed repair during the coming dry season.

The two deputy-ministers of communication made the inspection of the road on their recent trip to Savannakhet Province to attend the hand-over ceremony of the heavy truck, construction and agricultural machinery maintenance workshop at KM 8 built with the joint Soviet and Lao fund. Constructed in 1987 and inaugurated in 1988, Road No. 9 received financial and material support from various countries, including the Soviet Union. Now the section from Seno to Se Banghiang River of Sepon is found deteriorated. In this connection, the Soviet side agreed to cooperate and help in the maintenance of this road, expected to start in the immediate future.

Court Sentences Three Narcotic Traffickers

BK0711123090 Vientiane KPL in English 0900 GMT 7 Nov 90

[Text] Vientiane, Nov 7 (KPL)—The customs and police officers of the northern Oudomsai Province in August arrested three narcotic traffickers and confiscated 22 kgs of raw opium.

The three defendants stood trial and were sentenced by the provincial court of Oudomsai. The narcotic evidence has been confiscated and destroyed.

The Lao government has lately been active in its international campaign to fight against narcotic trafficking.

In 1988, some foreign individuals of Thai, Burmese and Chinese nationalities infiltrated into Laos, in particular Oudomsai, in collaboration with 14 Lao people [to] conduct heroin processing. Later, they were confiscated.

Philippines

Reportage on U.S. Bases Meetings Continues

Phase-Out Stand Reaffirmed

HK0811033590 Manila MANILA BULLETIN in English 8 Nov 90 pp 1, 12

[By Romy V. Mapile]

[Text] The government position on the gradual phaseout of U.S. military bases was reaffirmed yesterday by the Philippine panel at the resumption of the RP[Republic of the Philippines]-U.S. bases talks at the Central Bank (CB) building in Malate, Manila.

Foreign Affairs Secretary Raul S. Manglapus, head of the Philippine panel, stressed the government objective to use the opportunity presented by the termination of the Military Bases Agreement (MBA) to begin reducing its dependence on the U.S.

Richard Armitage, special negotiator for U.S. President George Bush, arrived at the old Manila International Airport and went straight to the CB complex to head the U.S. panel.

Other issues taken up involved regional security and the options for commercial use of the base facilities, "at a certain point of time when there's no longer any chance that the Americans would control these bases."

Manglapus and Armitage are scheduled for a one-on-one meeting today and both panels feel that certain agreements on specific issues may be reached.

Tourism Undersecretary Rafael Alunan, spokesman of the Philippine panel, said the fundamental agreement is for the maintenance of RP-U.S. ties and shaping up a new relationship.

"The object of the negotiations is to come up with an arrangement that recognizes our political needs and, at the same time, give attention to our security requirements," Alunan said. He said the Philippine government expressed its desire to take over Clark Air Base and four other smaller facilities by Sept. 17, 1991, but the U.S. has suggested a longer time to maintain the Military Airlift Command (MAC).

Stanley Schrager, spokesman of the U.S. panel, said he expects the talks, scheduled to last until Friday, to be brief, but intense. While declining to speculate on any possible agreement, Schrager said "It's a short span of time, but I think both sides can cover a lot in some general areas in which we agree."

Bengzon Dismissal Sought

HK0711114790 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 7 Nov 90

[By Cesar Chavez]

[Excerpts] Many senators criticized the reported pressure by General de Villa, Governor Cuisia, and Secretary Estanislao on members of the Philippine panel to favor the extension of the military bases agreement. But Senator Osmena sought the dismissal of Secretary Bengzon from the Philippine panel. Let us hear from Senator Osmena his reason for seeking the dismissal of Secretary Bengzon from the Philippine panel:

[Begin recording] [Osmena] His action strengthens the American side to insist on their position. We should take a united stand. We should not be divided in front of the U.S. negotiating panel.

[Chavez] Personally, have you changed your position or have you retained the same position?

[Osmena] My position remains unchanged. [passage omitted]

[Chavez] If Bengzon is relieved at this stage, would it not affect the position of our country?

[Osmena] I don't think it will have any effect. On the contrary it will bring some good as it may eradicate internal problems because from what I know, he is the one causing problems for the panel. [passage omitted]

[Chavez] House Speaker Ramon Mitra has asked the LDP [Struggle of Philippine Democrats] to field him as the presidential candidate in the 1992 presidential polls. There were reports he is chosing between you and Senator Joseph Estrada as his vice president.

[Osmena] I did not authorize him to choose between us. For my part, I only want to run for senator again and continue my job in the Senate. I am happy here and I think I could do some good just being here. I have no ambition for that. [end recording]

Regarding Secretary Bengzon's disclosure, Senate President Jovito Salonga said he will seek Secretary Bengzon's explanation but assured the public the final decision on the U.S. bases will never be put into effect until two thirds of the Senate concur.

Military Pressure on Panel Denied

HK0811032590 Manila MANILA BULLETIN in English 8 Nov 90 p 12

[Text] Gen. Renato S. de Villa, AFP [Armed Forces of the Philippines] chief of staff, said last night that the military never exerted any pressure on the government panel negotiating on the U.S. bases agreement.

De Villa was reacting to Health Secretary Alfredo Bengzon's alleged statement that certain military officials and financing institutions are making moves to force the government negotiating panel to retain the U.S. military bases in the country.

Ramos Reacts to Bengzon Statement

HK0811055990 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 8 Nov 90

[Text] Defense Secretary Fidel Ramos said Health Secretary Alfredo Bengzon's statement that some government officials are pushing for the retention of the U.S. bases in the country is unfair. Ramos said Bengzon should have discussed the matter with authorized government officials before disclosing it to the media. Central Bank Governor Jose Cuisia said the issue is for the political leadership to sort out and he will not get involved in it.

Aquino Approves Probe

HK0811093590 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 8 Nov 90

[By Dick Sinchongco from Malacanang]

[Text] President Aquino is amenable to the Senate's decision on the investigation of government officials mentioned by Health Secretary Alfredo Bengzon in his expose on several cabinet members who were reportedly exerting pressure on the panel for maintaining the U.S. military bases in the Philippines.

At the same time, the president issued a directive to Foreign Affairs Secretary Raul Manglapus and Secretary Bengzon to prioritize national interest during discussions for the second RP [Republic of the Philippines]-U.S. military bases agreement. The president further added that although government officials had their own views and decisions regarding the bases, this would not affect the interest of the Philippine citizens.

Bengzon previously disclosed to the chairman of the RP Bases Panel the pressure exerted by Finance Secretary Jesus Estanislao, Central Bank Governor Jose Cuisia, and AFP [Armed Forces of the Philippines] chief General Renato de Villa for the maintenance of the U.S. bases.

The chief executive has given her approval for the investigation of Bengzon's expose because she believes the Senate only wants to clarify the reasons why government officials had different decisions concerning the bases.

National Interest Said Foremost

HK0811104790 Manila Radio Veritas in Tagalog 0900 GMT 8 Nov 90

[By Cesar Chavez from Malacanang]

[Excerpts] President Aquino has restressed despite the different views by government officials, the major consideration regarding the ongoing bases talks will be that of the national interest. This was her reaction on the resumption of the negotiations regarding the future of the U.S. military bases in the country. It is recalled there was some misunderstanding between panel vice-chairman Secretary Alfredo Bengzon and other Cabinet secretaries such as Finance Secretary Jesus Estanislao, Central Bank Governor Jose Cuisia, and General Renato de Villa on reported pressure by these three officials on the panel to take a stand favorable to the U.S. bases. The president said she will leave the issue to the judgment of the Senate which might investigate the issue but mentioned this should only be done after the bases talks. [passage omitted]

Here is the president's statement as read by Press Assistant Secretary Lourdes Siytangco:

[Begin recording in English] Again, it suffices to say that my directive to our panel lies in the nature of pursuing the national interest. Though the fact is that [words indistinct] to be taken into account in pursuing the points of negotiations even as the bottom line must always be what is in our sovereign national interest. I leave this to the best judgment of the Senate. I understand they may seek clarification and that in deference to the talks now ongoing, they'd schedule the hearing after the current talks.

I intend to talk to meet with representative of responsible labor organizations. We are finalizing the possible agenda for our talks. I am open to hearing various proposals to improve the lives of our workers beyond the issue of minimum wage that is being resolved by the regional wage boards. People of [words indistinct] peaceful and nonviolent solutions to the current economic adversities. Those who would seek to exploit our present hardship to promote their selfish ends will be rebuffed by the government and our people. I have no plans of convening the National Security Council anew at the moment. [end recording]

Loans To Be Affected 'Indirectly'

HK0811033190 Manila MANILA BULLETIN in English 8 Nov 90 p 12

[Text] Finance Secretary Jesus Estanislao admitted yesterday that the outcome of the bases talks will influence the country's ability to obtain new foreign loans though "very indirectly" while Central Bank Gov. Jose Cuisia Jr. expressed the apprehension of private investors over the fate of U.S. military facilities.

The country's debt negotiators expressed the concern of the foreign community on the bases, but said there was no pressure from the U.S. in particular to influence the negotiations which will decide on the fate of six U.S. military facilities here.

Cuisia assailed Health Secretary Alfredo Bengzon, vice chairman of the President's committee on the bases and the Philippine bases panel, and challenged him to identify and show evidence of persons or institutions that linked the bases to the foreign debt.

Bengzon was earlier reported as saying that the U.S. is using its aid and loan commitments to pressure the Philippines into allowing it to retain control of its bases beyond the termination of the Military Bases Agreement on Sept. 16, 1991.

Extension of Agreement Urged

HK0811034190 Manila MANILA BULLETIN in English 8 Nov 90 p 4

[Editorial: "Presence of U.S. Bases Contributes to Political and Economic Stability"]

[Text] Historian Arnold Toynbee wrote: "The Philippines is unique in having a North American chapter in their history—unique and also lucky, because Spain and the United States are complementary to one another as representatives of different elements in the Western civilization."

Philippine history should be viewed in this perspective. Today, Philippine-American relations are viewed from the narrow view-point of the bases talks. Philippine-American relations extend much further back than the current bases negotiations.

One of the issues in point is the relation between the bases and Philippine independence. Suffice it to say that many major European and Asiatic nations accommodate U.S. military bases and it has not affected their national independence. In short, we can have U.S. bases in the Philippines and at the same time be totally independent from the United States.

The bases, if accommodated by a new agreement, will undoubtedly serve to bring political and economic stability to the country. Many investors may shy away if the U.S. bases were to be removed.

What is important is: if the U.S. bases remain, the Philippines should be compensated the same way other nations are compensated for the presence of U.S. bases in their country. That is the bottom line.

The bases issue should be decided on the question of national interest. Is it to the political, economic and social interest of our country to have U.S. bases in the Philippines? National interest means: is it to the greatest good for the majority of the Filipino people? Considering our present situation and the Persian Gulf crisis which may erupt into a world conflagration any time, is this the time to dispense with the American bases?

What is the will of the people? Should the issue be settled by friendly negotiations or through a national plebiscite to coincide with the 1992 presidential election? This will give the people and whoever will be the president in 1992 a chance to decide on the U.S. bases issue.

Therefore, it is most logical to extend the agreement for at least another two years from September 1991.

U.S. Combat Aircraft Removal From Clark Viewed

HK0811095390 Manila Manila Broadcasting Company DZRH in Tagalog 0900 GMT 8 Nov 90

[By Eloi Aquino]

[Text] Defense Secretary Fidel Ramos today said the decision by the U.S. Government to remove several of its combat aircraft from Clark Air Base is a laudable move for the interest of the nation. At the same time, Ramos warned this may result in additional difficulty and expenses for the Armed Forces of the Philippines. During his weekly news briefing at Camp Aguinaldo, Ramos stressed that the removal would not directly affect the security situation in Southeast Asia because the so-called air threat was reduced, and the United States has guaranteed there will be no reduction in its capability to enforce its security commitment in the Asia-Pacific region. Ramos said the United States is not bluffing regarding the gradual pullout of its third tactical fighter wing based at Clark Air Base. The U.S. Air Force, Ramos said, has been redeploying its F-15 and F-4 long-range fighter jets in Japan and Alaska since 1988. However, Ramos pointed out the Philippine Air Force must carry out adjustments to pick up the slack:

[Begin Ramos recording in English] Now, on the other hand, the Armed Forces of the Philippines, especially the Philippine Air Force, must adjust early enough so that they can fill up this lack, so to speak. That will mean an intensification of the Philippine Air Forces' air defense activities. So, all in all, if they require extra effort on our part and budget the extra expense, I do not foresee any special difficulty, considering the threats which may have already diminished at this time as compared to what it was three years ago. [end recording]

Ramos did not brush aside the possibility the pullout of the fighter jets may result in the total withdrawal from Clark Air Base. However, Ramos noted the decision to remove the combat aircraft here to Alaska had begun a long time ago and is not connected to the ongoing bases talks.

Businessmen Support Wing Pullout

HK0811055190 Manila DWIZ Radio News 882 in Tagalog 0400 GMT 8 Nov 90

[Text] Washington is getting ready to pull out a large number of U.S. servicemen from Clark Air Base. Angeles City businessmen supported this decision to withdraw the 3d Tactical Fighter Wing, even if 300,000 families will be affected by the pullout. Around 3,000 of the 25,000 servicemen will remain in Clark after the pullout in 1991.

$300 Million in Aid Sought From Japanese Fund

HK0811121390 Manila BUSINESS WORLD in English 8 Nov 90 p 1

[By Edgar R. Bancod]

[Text] President Aquino will seek $300 million in aid from the Overseas Economic Cooperation Fund (OECD) of Japan when she visits Tokyo next week, a government official told BUSINESS WORLD yesterday.

In an interview, Teresita Capellan, Department of Agriculture [DA] assistant secretary for the International Agricultural Development Cooperation and Coordination Office (IADCCO), told BUSINESS WORLD that Government is eyeing a $300-million budgetary support fund from the Japanese. She said the Government is currently working on the details of the assistance package to be requested from the OECF.

It is also possible, Ms Capellan said, that Philippine delegates to Tokyo will push for the use of this $300-million aid facility to finance the country's import requirements like oil.

Last Monday, Mrs Aquino told a press conference she would personally seek the assistance of Japanese Prime Minister Toshiki Kaifu to support the country's financial needs.

The Asian Development Bank [ADB] has expressed reservations about the possible "overlapping" of its assistance package with that of other lending agencies, particularly the OECF, the Japanese International Cooperation Agency (JICA), and the Canadian International Development Agency (CIDA).

Ms Capellan said the ADB argued during their last negotiations that it may not be necessary for it to extend the full amount of the $50-million earthquake-rehabilitation fund being eyed as the Philippine Government has already requested similar funding from the OECF any way.

On top of that, two fertilizer assistance packages—ammonium sulfate from JICA and potash from CIDA—are already set to arrive.

The IADCCO chief told ADB officials, however, that there should be no overlapping of support as the $50 million the DA is eyeing from the ADB will come in the form of urea, a higher grade fertilizer substituted for ammonium sulfate.

Contrary to earlier reports, however, the amount being negotiated with the ADB is only $50 million and not $60 million. Ms Capellan clarified that the $60 million was ADB's original offer but the DA had come to terms with the agency on a $50 million loan.

Ms Capellan said the $50 million "one-tranche" loan package wil carry highly concessional terms to include an effective interest rate of about 2.5%, and a 5-year grace period. It will be payable in 35 years.

World Bank on Establishing Privatization Fund

HK0811121190 Manila BUSINESS WORLD in English 8 Nov 90 p 1

[By Alex B. Reyes]

[Text] The World Bank [WB] has proposed the establishment of a Philippine Privatization Fund (PPF) that will help Government divest itself from remaining big-ticket corporations.

In an aide memoire to Finance Secretary Jesus P. Estanislao, WB economists Claudio Fernandez and Mohan Gopal noted that the Government's privatization program has generally progressed satisfactorily, particularly for the smaller government corporations.

"However, the privatization of several remaining large GCs [Government Corporations] would not be possible unless a financial restructuring and refinancing of large foreign debts is completed," they pointed out.

The proposed PPF could help prepare the large GCs for privatization by buying back their foreign debts and assisting them in financing and restructuring so that they will have adequate prospects as private companies.

"Because of the large liabilities of GCs, unless debt restructuring is done, their sale will not be possible, or the value obtained will be so small that it would create public opinion problems," the economists said.

The PPF could also act as a "warehouse" for the shares of GCs being privatized, so that the shares can gradually be released into the market to maximize their cash value to Government.

The possibility of the PPF providing term payments for the privatized companies was also discussed in the memorandum, since not that many Philippine investors can provide for the huge cash outlays needed to buy the mammoth GCs.

The WB's analysis showed that the deceleration of the economy, combined with high interest rates, will probably severely constrain cash sales that have been the norm for the bulk of privatization.

"In the future, Government might need to facilitate privatization by providing some standard term payments for large divestitures. Similarly, the Government may want to provide credit for the purchase of shares by employees of the companies. The financing and the control of the repayment of these loans could be provided by the PPF, they said.

Finance Secretary Estanislao told BUSINESS WORLD he is favorable to the idea, saying the establishment of the fund would help provide balance of payments support and reduce some of the costs that Government incurs as it conducts its privatization program.

A DoF [Department of Finance] official said that considering ten of the largest GCs have debts in excess of $1 billion, the PPF would have to have funds to the tune of at least $500 million, if the discount on these GCs' papers is at 50%.

According to the WB, the benefits of the PPF would be:

—reduce the foreign debt by debt buy-outs;

—accelerate the sales of government assets and thus ensure additional cash resources at a time of budgetary constraints;

—strengthen capital markets and facilitate the achievement of government objectives of promoting a wider ownership base.

As envisioned by the WB, the PPF would be established for a limited period of five years, to be run by a fund manager whose primary function would be to ensure the divestiture of large GCs, by buying their foreign debts, at a discount, warehousing their shares, and issuing guarantees to sell them gradually on the market.

"The PPF would not be a mutual fund or unit trust, or issue its own securities, but would act mainly as a temporary holding facility or a dealer in securities." Because of its effectiveness in the disposition of nonperforming assets, the Asset Privatization Trust has been tagged as the primary candidate in managing the PPF.

Estanislao: IMF Zero-Growth Plan Unacceptable

HK0811071890 Manila THE MANILA CHRONICLE in English 8 Nov 90 p 1, 8

[By Arlene Chipongian]

[Text] The Philippine economy will grow by 3% at best and 2.3% at worst next year, Finance Secretary Jesus P. Estanislao and Economic Planning Secretary Cayetano Paderanga said in separate interviews yesterday.

Estanislao said that the no-growth scenario for the economy given by the International Monetary Fund (IMF) was simply "not acceptable" as he noted that same legislators also preferred zero growth to "make sure that no new taxes would be raised."

Paderanga also said "there will be no recession next year" because the country is still expected to register positive economic growth.

The lower economic growth projections next year will be presented to the visiting mission from the IMF headed by the head of Asian affairs, Ulrich Baumgarner, to mark the start of formal negotiations for a new economic stabilization program with the IMF.

The finance chief said that during the recently concluded budget summit attended by Cabinet officials and leaders of Congress, it was noted that 5%-6% growth scenario was not possible, unless Congress passes new tax measures.

He added that a 3% growth rate was the "maximum" level that could be attained by government. This is lower than the 3.5% anticipated growth this year and much lower than the 6.5% annual growth rate of the economy that was committed by the country as part of the memorandum on economic policy with the fund.

At a 3% growth, the finance chief said inflation levels would be between 12%-13%. This year, prices of consumer goods by yearend will reach a high 14%.

The 1990-91 inflation levels are higher than the single-digit inflation rates committed by the government to the IMF.

Paderanga also said that the country was eyeing "sustainable" growth targets as it looks forward to a stabilization program with the fund.

Paderanga, also the director general of the National Economic and Development Authority (Neda), commented that the 1.9% Philippine growth scenario painted by the United Nations Department of Economic Affairs and the 2% growth forecast by the Asian Development Bank were "too pessimistic."

He said the Philippine government was optimistic the country could have a 2.3-2.5% growth in 1991 through more robust export and foreign investments.

At the same time, he said the country would ensure that public spending to help pump-prime the economy would be kept at "moderate and manageable" levels in order to curb the ballooning budgetary cash deficit. [sentence as received]

The high deficit levels, seen at P[Philippine Pesos]52 billion this year, is a major concern of foreign creditors as this indicates that the country is spending beyond its means.

Paderanga, however, said public investments, particularly as part of the earthquake rehabilitation program, would have to continue although this required higher government spending.

The government will have to prioritize projects that will be given budget allocation to monitor cash releases. In line with this, the Department of Budget and Management and the Department of Finance have agreed that cash releases will be based on revenue collections.

'Militant' Labor Group Offers Compromise

HK0811071690 Manila THE MANILA CHRONICLE in English 8 Nov 90 p 8

[By Booma Cruz]

[Text] The militant Labor Advisory and Consultative Council (Lacc) yesterday asked the government to adopt non-wage and price control measures to help workers cope with "the inflationary months of November and December."

Reiterating its "open for negotiations" position, the Lacc wants immediate action on the workers' wage increase demand but gave government two approaches in addressing the issue.

The Lacc said the government could either give an increase that is lower than the demanded P [Philippine Peso] 25 raise in exchange for other non-wage benefits or grant the P25 hike, minus some of the conditionalities attached to the demands. Crispin Beltran, Lacc chairman of the month, said either approach could be acceptable to workers.

On the organized labor's meeting with President Aquino scheduled for next week, Beltran, chairman of Kilusang Mayo Uno (KMU) [May First Movement] said the agenda still contains the P25 across-the-board increase for all workers nationwide and 19% profit-sharing scheme.

"We are open. It is very important for us to talk and explain to the President why we do not want Republic Act 6727 (Wage Rationalization Law) and the structures it created," Beltran said.

Expecting the President would refer their demands to the wage boards, Beltran said Lacc is prepared to go to the wage boards as long as the President gives the boards enough powers to make it responsive to the workers' needs. Lacc would ask the President to empower the boards to legislate across-the-board wage increases.

Thailand

Chatchai-Do Muoi Summit 'Postponed' to January

BK0811021590 Bangkok BANGKOK POST in English 8 Nov 90 p 1

[Text] The planned summit between Prime Minister Chatchai Chunhawan and Vietnamese Premier Do Muoi has been postponed until early January, prime ministerial adviser Phansak Winyarat said yesterday.

Mr Phansak told the BANGKOK POST that the meeting was postponed because of the upcoming Vietnamese National Assembly, which top Vietnamese leaders would have to attend.

Informed sources told the POST that despite the postponement, work on the joint Thai-Vietnamese commission agreement on trade and investment would continue. Vietnamese Ambassador to Thailand Nguyen Trung informed Gen Chatchai's advisers at Ban Phitsanulok of the postponement on Tuesday, sources said.

Mr Phansak said that while preparations are already under way, the postponement will allow both sides to be better prepared for the meeting. He denied reports that Gen Chatchai's decision to meet Mr Do Muoi was made "on impulse".

Vietnamese Foreign Minister Nguyen Co Thach proposed the meeting when he met Gen Chatchai last Monday. Informed sources said then that Gen Chatchai suggested that they meet in a third country, perhaps Japan.

Later in the evening during dinner, Gen Chatchai suggested that Mr Do Muoi come to Bangkok between November 15-30.

Mr Phansak said that the planned summit meeting was natural since there had been considerable diplomatic activity recently, citing for example the top-level meeting between China and Vietnam, Mr Thach's visit to Washington and Indonesian President Suharto's planned visit to Hanoi later this month.

Radio on Mutually Beneficial Ties With Vietnam

BK0711145690 Bangkok Voice of Free Asia in English 1500 GMT 6 Nov 90

[Article: "Thailand, Vietnam Coming Together"]

[Text] After long-standing frosty relations, Thai and Vietnamese leaders last week found what might be the beginning of the connection in ties between the two countries. Vietnamese Foreign Minister Nguyen Co Thach's visit to Thailand last week has set the era of Thai-Vietnamese normalized relationship after 12 years of open hostilities. Thach in Thailand last week tried to push the Cambodian conflict to the background and asked for the quick formation of the joint commission to promote bilateral ties, a move which would formalize the warming relationship between the two countries. Even though the [words indistinct] through the hasty formation of the joint commission was cautious, Thach could still claim more tangible achievements than his goals in the recent U.S. visit—the first official trip by Vietnam's foreign minister in more than a decade.

In the United States, Thach suffered [words indistinct] after the U.S. Government decided to extend for another year the long-time embargo on loans from international banks to Vietnam. Analysts in Bangkok said that Thach's trip to the United States, Japan, and Thailand was seen as a diplomatic campaign to end the international isolation of Vietnam. Analysts said the timing of the campaign was crucial to Vietnamese leaders, including Thach, a member of the Politburo who are bracing themselves for the important Seventh Congress of the Vietnamese Communist Party scheduled for May.

An analysis published in Thailand said the Vietnamese congress will be held against the backdrop of the end of the cold war, drastic reforms in the Soviet Union and East Europe, the German reunification, and the outbreak of the Gulf crisis. Among other things, the worsening economic situation at home along with the cutback in aid from its allies in Comecon have underlined the need for Vietnam to break the isolation imposed on it by the West and adjust its policy as well as its relationship with friends and foes.

Considering the relationship between Vietnam and China, especially on the crucial Cambodian conflict, Prime minister Li Peng said in a recent interview that Vietnam had not done enough in pushing for Phnom Penh's agreement with the tripartite coalition on the composition of the Supreme National Council [SNC]. In response, Vietnamese Foreign Minister Nguyen Co Thach said Vietnam had alrady washed its hands off the Cambodian quagmire following the withdrawal of its troops.

In their talks last Monday morning, Premier Chatchai accepted Thach's line that they would leave it to the Cambodian factions to resolve their remaining problems. However, Foreign Minister Subin asserted that there was a chance that Thailand would host another Cambodian meeting if the rival factions agreed before hand on the question of the SNC's chairmanship.

In Bangkok last week, for the first time Thailand and Vietnam could settle some similar understanding. Thai officials said Bangkok took the new stance because of Vietnam's remarkable cooperation with the international community in the Cambodian conflict. They cited the evidences of Vietnam's withdrawal of most of its troops from Cambodia and accepting the concept of a comprehensive political solution, and a peace plan outlined by the five permanent members of the United Nations Security Council for Cambodia. Thailand's positive attitude toward Vietnam this time is in line with Foreign Minister Subin's thinking that Thailand should serve as a link between its Indochinese neighbors and Myanmar [Burma] with the members of the Association of the Southeast Asian Nations after the Cambodian conflict is settled. Mr. Subin asserted this concept in his speech to the annual United Nations General Assembly during his visit there. Nonetheless, while Hanoi and Thach felt that early normalization of Thai-Vietnamese ties was a matter of necessity due to growing problems at home, the Thai side followed it in a different light. With greater leverage, Thai officials feel Bangkok now has the luxury of not having to do things too hastily. However, there was a report that Prime Minister General Chatchai decided to meet Prime Minister Do Muoi in Chiang Mai at the end of this month. Officials viewed the decision as a mutual confidence-building measure and as a symbol of the new face of the country's relationship.

Ironically, Bangkok's increased leverage has raised the question of how to handle the normalization process. Some believed that since Hanoi needs normalization more than Thailand, Bangkok should try to capitalize on the fact. But, others contended that for the time being, Thailand should refrain from hot bargaining tactics because it has been proven that economic issues are the hardest nut to crack in negotiations even among ASEAN friends. [Words indistinct], there is a confession that Thailand-Vietnam closer relations should be no longer seen as a zero sum game in which one side's gain would be the other side's loss. Both sides can gain and the total sum needs not to be zero anymore. In this case, relationship between Thailand and Vietnam should be resumed, but instead of zero sum game, the product of the revived mutual relationship would benefit both countries.

More on Impending Cabinet Reshuffle

Chatchai Leaves, Ministers Comment

BK0811061590 Bangkok Domestic Service in Thai 0530 GMT 8 Oct 90

[Text] Prime Minister General Chatchai Chunhawan and his delegation, including Foreign Minister Subin Pinkhayan, left the Bangkok International Airport at 1115 today for a visit to Japan and the PRC. Speaking to newsmen before departure, the prime minister said he will make a cabinet reshuffle as soon as possible after returning from the current trip abroad. He also disclosed that Police Captain Chaloem Yubamrung, minister attached to the Prime Minister's Office, had informed him that he would not join the new cabinet.

Meanwhile, the foreign minister said the prime minister will discuss with his Japanese counterpart the general situation and a settlement of the Cambodian problem. The meeting with Chinese officials will probably center on the same subjects, he said. Concerning a cabinet reshuffle, Subin said it is normal in the democratic system and that there will be no changes in Social Action Party cabinet members. He said expression of political opinions by various groups is within the right of anyone in the democratic system.

Bun-ua Prasoetsuwan, minister attached to the Prime Minister's Office, said a cabinet reshuffle is necessary when the timing is appropriate in order to improve the situation. The government should be able to complete its four-year term. It has been administering the country for two years already, he said.

Speaking to newsmen while seeing off the prime minister, Supreme Commander General Sunthon Khongsomphong said that during his meeting with the prime minister this morning Gen. Chatchai pledged to reshuffle the cabinet quickly as proposed by the military. It remains to be seen how soon this will take place. He said the military is confident that the prime minister will make a cabinet reshuffle as promised. A new cabinet list has already been made up; it is a matter of waiting for the king's signature. Sunthon said the cabinet reshuffle should ease the tense situation.

Chatchai Promises Reshuffle on Return

BK0811013790 Bangkok BANGKOK POST in English 8 Nov 90 p 1

[Text] Prime Minister Chatchai Chunhawan has agreed to Army Chief Suchinda Khraprayun's request to reshuffle the Cabinet to get rid of three ministers, reliable sources said yesterday.

Supreme Commander Sunthon Khongsomphong, who led senior military commanders to a weekly breakfast meeting with Gen Chatchai yesterday, said the Premier has promised to reshuffle the Cabinet after returning from abroad.

Gen Chatchai is to leave today for Japan to attend the coronation of Emperor Akihito on Monday. He will also travel to China for a working visit and return home on November 16.

In the reshuffle, the sources said, Police Capt Chaloem Yubamrung was expected to be dismissed and Banhan Sinlapa-acha and Montri Phongphanit were likely to lose the Interior and Communications portfolios and be made deputy prime ministers.

Former military chief Gen Chawalit Yongchaiyut might be brought back into the Cabinet as defence minister if Capt Chaloem is sacked.

One reliable coalition source said Capt Chaloem might be removed before the reshuffle to ease military discontent over his criticism of Gen Sunthon's seizure of a Mass Communications Organisation of Thailand radio truck.

Capt Chaloem was summoned to Gen Chatchai's Soi Ratchakhru home last night, reportedly to be informed of the Prime Minister's decision. Also reportedly at the meeting were the Premier's policy advisers, former Young Turk leader Manun Rupkhachon and the Cabinet secretary.

Reliable military sources said that during the breakfast with Gen Chatchai yesterday, Gen Suchinda had reaffirmed the military's desire for the Prime Minister to remove the three ministers in a reshuffle.

The Army chief suggested that Capt Chaloem's removal was urgent, the sources said.

The sources said the Premier had at first promised a reshuffle after the November 25 Bangkok by-election, but was urged to make it sooner to cool simmering military discontent.

Government Spokesman Suwit Yotmani told reporters after meeting with the Premier last night that Gen Chatchai had agreed to Gen Suchinda's request and would announce details of the reshuffle soon.

"The Prime Minister will give priority to this action in the national interest but will need some time to work it out," said Mr Suwit.

Gen Sunthon said the reshuffle is up to the Prime Minister. "We did not say what the Prime Minister should do, but he promised that problems would be solved," Gen Sunthon said without elaborating.

Asked if the military was satisfied with the promise, he said, "We will have to wait and see."

He said the military would put no more pressure on the Prime Minister. "We will give him time to think and act. We believe the results will be satisfactory and will help improve our faith in the Government," he said.

Another government source said that Capt Chaloem earlier on Tuesday had offered to voluntarily resign to save the Prime Minister from mounting military pressure over the radio truck conflict.

Gen Suchinda on Tuesday announced his full support for Gen Sunthon in the dispute and warned that the Government risked losing military support if it failed to take action "to improve its image."

The source, who is close to Capt Chaloem, said Gen Chatchai turned down the resignation offer. Asked by reporters about Gen Suchinda's statement yesterday, Gen Chatchai said he had no comment.

Army Stations Told To Stop Programs on Chaloem

BK0811101390 Bangkok MATICHON in Thai 8 Nov 90 p 21

[Text] The MATICHON daily newspaper has received a report that the Royal Thai Army on 7 November issued a very urgent order to all the Army regions and Army units that have radio broadcasting stations, stating that since the Army has learned that Police Captain Chaloem Yubamrung will resign from his ministerial post in order to show his gentlemanliness and completely settle the current dispute [between the Army and Chaloem], the Army therefore wants all the Army radio stations to completely stop presenting news reports, commentary, or any criticism about this issue from yesterday on, except the news reports sent from the Program and News Production Section of the Civil Activities Division, Army Operations Center, and the Radio News Programming Unit of the Royal Thai Army.

Lieutenant General Narudon Detpradiyut said yesterday evening that the conflict has not yet ended, because so far there have been only talks on the issue. He said the military's degree of satisfaction will depend on actions taken after the talks. He confirmed that the proper and decisive countermeasures, as stated previously, have already been mapped out and could be put into practice immediately. For the time being, the details of the plan cannot be disclosed because in military operations plans must not be unveiled before the real attack begins, he concluded.

Army Radio Refutes Chaloem's 'Distortions'

BK0811063790 Bangkok First Army Division Radio in Thai 2300 GMT 6 Nov 90

["Sayamanusati" feature]

[Excerpts] People who have been following the situation in the country over the past few days might be confused by the reports concerning the mobile radio transmission truck, particularly by the news conferences and remarks by Police Captain Chaloem Yubamrung, minister attached to the Prime Minister's Office, on the Mass Communications Organization of Thailand [MCOT] television channel 9. By the way, Chaloem regularly uses the television station's air time to talk to viewers on various issues, as well as to publicize his good qualities and defend himself or attack his rivals, which are not only limited to the military establishment but can include anyone, depending on the situation he deems appropriate.

Concerning the confusion, we feel that the interviews Police Captain Chaloem gave contained distortions. For example, Chaloem said during the interview that MCOT officials had no capability to use the mobile radio truck seized by the military and that they were able to use it only after the Army cooperated by sending its officials to train them because the Army felt that the truck was useful to the MCOT. He said he had evidence to prove this. The Army would like to see the evidence that the minister claims to have. This is because the director of the Army Communications Directorate has confirmed that no soldiers were ever sent to train MCOT officials on the use of any equipment and he could not believe that a person holding a ministerial post would deceive the public. The director said there could be a mistake in the information the minister received. A reminder here is that those who serve a person of ministerial rank should ensure that information they give to their superior for dissemination to the mass media is accurate and correct. If not, it could cause a loss of face and credibility. In particular, a minister should be a person who has honor and dignity and whatever he says must be valuable and reliable and should not lack substance or meaning like that said by mynah birds.

Another matter causing the confusion is the attempt to link the personal dispute Chaloem has with the military establishment and distort it to become a dispute between the government and the military establishment. Although Chaloem is a minister in the current cabinet, there are other cabinet ministers who are good persons and possess dignity and fame, and enjoy confidence of the people. Therefore, it is inappropriate to drag the government into a dispute with the Armed Forces. If there are disputes, the people involved should talk it out. In this connection, Chaloem often said before that fear brings one's downfall. [passage omitted]

Listeners probably want to hear what soldiers think about the mobile radio truck issue. This feature is bringing to you views of some soldiers who are based in Bangkok, as follows:

[Begin recording] [Unidentified soldier] By making remarks unfit for a person of his ministerial rank, Chaloem was not speaking constructively and was abusing senior military officers. I think his action is very inappropriate. It is normal for soldiers to respect their commanders. As slights are made against our commanders, we feel offended. Chaloem claimed that he was once a soldier, he should be aware of the loyalty and relationship between soldiers and their commanders. In particular, he should be well aware of soldiers' honor and some of the military traditions he learned while serving as a junior officer should have remained with him.

[Second unidentified soldier] I feel that as a minister, Chaloem should use good sense before making remarks that abused senior military officers. The time spent to abuse others, which is not right, and the tools bought by the people's tax money should be better utilized for constructive purposes. I think the prime minister will not ignore this matter any longer.

[Third unidentified soldier] Regarding Police Captain Chaloem's abuse of senior military commanders, if I had not been bound by discipline I could have done something that makes front-page headlines in the papers. Man must cherish his dignity and the institution to which he belongs. Soldiers who do not cherish their institution should not be born a man in the first place. [end recording]

Listeners, the Armed Forces commanders who are gentlemen have always reminded the soldiers to use restraint and tolerance. Today the soldiers are tolerant and observe discipline, but there is a limit to the tolerance level. We do not know what soldiers might want to do if allegations, persecution, and, particularly, insults on their dignity keep mounting.

Interior Minister Cancels Nov Trip to U.S.

BK0811031190 Bangkok BANGKOK POST in English 8 Nov 90 p 1

[Text] Interior Minister Banhan Sinlapa-acha has abruptly cancelled his planned trip to the United States in the wake of the Prime Minister's reported decision to reshuffle the Cabinet.

Ministry sources said it was believed Mr Banhan's decision to scrap the visit was connected with the current political uncertainty in the country.

Mr Banhan has already informed his US hosts of his sudden decision to scrap the visit, planned for November 11-18, and had apologised to them for not being able to go ahead with the tour.

A source close to Mr Banhan said the minister wanted to remain in the country because his planned trip would coincide with Prime Minister Chatchai Chunhawan's trip to Japan and Deputy Interior Minister Watthana Atsawahem's visit to China.

Political Fallout Over Radio Truck Analyzed

BK0811020190 Bangkok BANGKOK POST in English 8 Nov 90 p 4

[Commentary by Banyat Thatsaniyawet: "Radio Row Puts PM [prime minister] on the Line"]

[Text] Army Chief Suchinda Khraprayun's warning to Prime Minister Chatchai Chunhawan following the re-emergence of the row between PM's [Prime Minister's] Office Minister Chaloem Yubamrung and Supreme Commander Sunthon Khongsomphong, indicates a clear misunderstanding, or even miscalculation, of where the Army chief stands as far as the question of uniform and honour is concerned.

The Army chief's statement that the Prime Minister risks losing military support and confidence if he does not resolve problems concerning the Government's image, is the most direct statement Gen Suchina has made since he assumed the top military post regarding current political affairs.

Although he did not specify what the unresolved problems were, political analysts agreed he was referring to recommendations the top brass made to Gen Chatchai before he left for his visit to the United Kingdom last month, that three ministers be moved from their current posts, namely, PM's Office Minister Chaloem Yubamrung, Communications Minister Montri Phongphanit and Interior Minister Banhan Silapa-acha.

According to informed sources, Gen Chatchai agreed that he would effect the changes on his return but faced strong opposition within his own Chat Thai Party. Sources said that Minister Banhan was able to get party MPs to express support that he remain in the crucial post until there is a dissolution of Parliament—a move which in effect blocked Gen Chatchai from following military recommendations.

Apart from Mr Banhan's move, Gen Chatchai is aware in the back of his mind that any decision to move Minister Montri from his post runs the risk of igniting the wrath of M.R. Khukrit Pramot, the Social Action Party leader who has supported his administration all along.

Since he assumed the top Army post, Gen Suchina has said little about current political affairs. He has stated repeatedly that the Army would not interfere in politics. This perhaps is the reason why quite a number of politicians and analysts believe that Gen Suchina has decided to position himself above the current political cat-and-mouse game between Gen Chatchai and former Army chief Chawalit Yongchaiyut.

A number of analysts agreed that Gen Suchinda is best served by not appearing to back either side because he would only stand to gain by adopting a neutral position if one or the other prevails.

While it remains uncertain why Minister Chaloem suddenly came out to challenge Gen Sunthon over the mobile radio station issue, one assumption could be that it was safe to make the statement since the Army chief had adopted a neutral position.

Minister Chaloem said last Sunday that Gen Sunthon's comment that use of the mobile station was against the law and that legal action could be taken was not true. Mr Chaloem said use of the mobile station was carried out according to the law, adding that even Gen Chawalit had used the station.

Mr Chaloem said that whether he remains in the Cabinet depends solely on Gen Chatchai and that the military could not pressure him (to resign). He even challenged Gen Sunthon to take legal action. Minister Chaloem said he realised that his statement would have a political impact because there is the belief that the military cannot be touched.

The PM's Office Minister tried to separate Gen Sunthon from the Army as an institution by saying that his criticism was aimed at the supreme commander alone. As far as press reports that the Army wanted him to be ousted from Cabinet, Mr Chaloem said he had only read the reports in newspapers. He added that if there was an officer who wanted his ouster, then that officer should stand up to his challenge. Mr Chaloem said that so far he had not seen any officer do this.

Political analysts agreed Mr Chaloem's comments were far from astute, even though he tried to single out Gen Sunthon individually in his attack. A number of analysts said the traditional belief within the Armed Forces of honour and dignity runs deep. If Gen Suchinda remained silent following Minister Chaloem's comments, he ran the risk of losing respect within the general rank-and-file which still believed in the sanctity of the Army as an institution.

Gen Suchinda, the analysts noted, chose not to respond to Minister Chaloem specifically and only said that the mobile station was a trivial issue. The Army chief made clear, however, that the Army supports the supreme commander on matters concerning internal security and the dignity and honour of the Army.

He said the Army was not happy that Gen Chatchai had not solved past problems properly, adding that if he did not solve these problems then he ran the risk of losing military confidence and support. Gen Suchinda reiterated that the Army will not interfere in politics but the Prime Minister must consider whether he wants to retain Army confidence or not.

Political analsysts said the current controversy has resulted in numerous cracks emerging within the Government and in Gen Chatchai's relations with the Army, making an attempt to fix these cracks difficult.

The analysts noted that Gen Chatchai may not be able to effect successfully the tactic of buying time, a skill he is adept in and has managed to deploy with considerable success during the past two years.

Survival of the Chatchai Government, the analysts said, depends on whether the Prime Minister is prepared to perform a "major operation."

The final decision rests solely with Gen Chatchai.

But no matter which way he turns, or which solution he decides to adopt, Gen Chatchai appears to be standing in the middle of a minefield in which any step could trigger an explosion in his administration. If Gen Chatchai is able to negotiate this minefield, there is yet another mine ticking away down the road which is being laid by the Opposition and by members of the Senate in their attempt to open an extraordinary session of Parliament.

Paper Offers Ways To Solve 'Confidence Crisis'

BK0711134490 Bangkok BAN MUANG in Thai 7 Nov 90 p 5

['Ta Molo' Column: "Solving the 'Confidence Crisis'"]

[Text] In the eyes of the public, the government under the leadership of General Chatchai Chunhawan has become a "confidence crisis" government because it is being called so day after day.

The public attitude towards the Chatchai government is completely different from what it was two years ago, like black from white. In the early stages of his tenure, everyone was satisfied with whatever he did. Presently, whatever he does seems to displease most people. Even when he puts his hands up together in a gesture of respect or greeting, some people think he is pretending.

I say this honestly because people are getting tired of the government. It seems to be a custom that people get tired of governments that run the country for more than two years and openly express their feelings about it.

General Prem Tinsulanon, who led a government for eight years, or two terms, also faced a "confidence crisis" during his tenure. The Prem government lasted because it was backed by the military, but the Chatchai government is a government that was born out of general elections. It is also a coalition government consisting of seven parties. Therefore it is "fragile."

Readers know as well as I do that General Chatchai has literally been hit very hard by storms of "confidence crisis"—both cyclones and typhoons. He has, however, relentlessly used all strategies to cope with the crisis, although sometimes nearly calling it quits.

The confidence crisis that has attacked him incessantly is caused by various factors. The most serious has been the performance of the government itself, which is comprised of 45 ministers and one prime minister.

The conflicts among the ministers of different parties, ministers of the same party, between ministers and permanent government officials, and between ministers and military officials are the prime causes of public frustration.

The chronic problems that the government seems not to have been able to solve even half of—corruption, forest destruction, land reform for poor people, and income distribution to the lower classes—are another. These are the problems the Opposition can bring up to criticize the government any time. Income distribution to lower income earners is still far from becoming a reality.

The problems of oil price increases and their impact on the economy in reducing the growth rate, the rise in goods prices, and the shortages of cement and construction materials; climatic changes; dam leakages; floods; the gas tanker explosion; the collapse of buildings; and the drowning of students, have also been linked to the "confidence crisis."

There also are some moves that are deliberately aimed at creating a confidence crisis for the government. Risking one's life in political protests to get the government to resign has become fashionable, as such actions have been wrongly interpreted as heroic. Such activities make people tired of the government also.

The lashings by the prime minister's advisers of "Ban Phitsanulok" at politicians and permanent government officials have also contributed to the frustrations with the Chatchai government. These causes of frustration that have created a "confidence crisis," have rapidly destroyed the people's faith in the government.

Whatever the case, I still believe Chatchai will salvage the government from this crisis through his ability and wisdom. This would also depend on how tolerant he can be. His experience, superior to any group, would help save the government. This would be in keeping with his intention to have his government survive the full four-year term.

But how will the people benefit if the confidence crisis continues?

Chatchai will have to do something to restore the people's faith in the government. He must initiate some policy or activity that would satisfy the people to help erase the government's negative image.

If he still cannot find a way out, he should then risk making another major cabinet reshuffle with the cooperation of all the coalition parties. But it appears that he would not be able to get this cooperation.

The final way out for him, which I think is possible, is for the government to open an extraordinary parliamentary session. I believe this would make the people and all groups feel better. These groups include the opposition, political groups outside the parliament, and some military groups.

Give the opposition a chance to launch a no-confidence debate so that various problems and doubts could be clarified through constitutional channels. All sides would then feel relieved.

Lao Army Sets Up Border Post, Crosses Border

BK0811013890 Bangkok THE NATION in English 8 Nov 90 p A2

[Text] Loei—The Lao army has set up an army stronghold on the Thai-Lao border line in Mae Charim district of northern Nan Province, a move that was seen as an irritation to Thai authorities, an army officer said yesterday.

Colonel Wirot Wachirawat, from the 3rd Region Army, said Lao soldiers had also crossed the border in Uttaradit's Ban Khok District and "threatened" many Thai villages last month.

Wirot said he has asked Lao authorities to urge their military personnel to withdraw their troops from the border as soon as possible but there has been no response from Laos as yet.

Col Wirot headed a delegation to attend a meeting of the Thai-Lao Coodinating Committee held on Tuesday in the Sayaboury Province of Laos, to discuss the problems in the two countries' border areas.

His delegation included Loei Assistant Governor Surachai Thananon, the province's Nahaeo District chief Somyot Tantayaphon and Uttaradit's Ban Khok District chief Thawatchai Phat-angkun. Representatives of Lao officials in the meeting were led by Mek Phanlouk, president of Mouang Boten.

Wirot said Lao soldiers had violated an agreement reached on Oct 4, this year, by a Thai-Lao military coordinating committee. According to the agreement, soldiers of the two countries "will not stage any military movement along the border."

But, Wirot said, a group of 30 Lao soldiers on Oct 18 crossed the border into Thai villages in Uttaradit and threatened villagers before turning back.

The Lao committee argued that groups of "displaced Lao soldiers" from the Thai side had crossed into Laos many times and incited unrest in Muoang Chiang Hon and Mouang Hongsa, in Sayaboury Province.

But Wirot said he told the meeting that Thai authorities had told the Lao officials on numerous occasions that Thailand had never backed that country's dissident soldiers.

Joint Border Subcommittee Concludes Meeting

BK0711150890 Bangkok Domestic Service in Thai 1200 GMT 7 Nov 90

[Text] The Foreign Ministry's Information Department reported that the Joint Thai-Lao Technical Subcommittee met in Bangkok between 6 and 7 November to resolve border problems in the area between Chat Trakan District of Phitsanulok Province and Boten District of Sayaboury Province. After the meeting, the technical subcommittees of the two countries exchanged major legal views on facts obtained from geographical inspections. Both sides have agreed to conduct further joint surveys on the geography of the area at the end of the rainy season. For the convenience and safety of both sides, the technical subcommittee of each country will coordinate with agencies concerned, including the military, for assistance and cooperation in their duties. A memorandum will be signed as soon as possible after the survey and will be reported to the chairman of the joint Thai-Lao Border Committee for further consideration.

Burmese Fishermen in High-Risk AIDS Group

BK0711070790 Bangkok BANGKOK POST in English 7 Nov 90 p 3

[Text] Public Health Minister Marut Bunnak yesterday opened a training seminar to give Thai doctors additional knowledge on how to treat and care for AIDS patients.

The seminar, which will end on Friday, was organised by the Communicable Disease Control Department. American AIDS experts will train 62 Thai doctors during the short course at Bamratnaradun Hospital in Nonthaburi Province.

The seminar was organised because the disease is on an increasing trend while the absolute number of cases is still relatively low and few doctors have experience in dealing with such patients.

Satistics up to October 30 showed that Thailand has so far had 69 AIDS patients of which only 17 are still alive. There are another 200 AIDS Related Complication (ARC) cases, and 23,279 people with HIV positive.

Communicable Disease Control Department director-general Dr Thira Ramasut said Ranong Province had the highest rate of AIDS infection in the country at 119 per every 100,000 people. The lowest rate is eight per 100,000 persons in Kamphaengphet Province. AIDS and related cases have been reported in every province of the country.

Dr Thira said that the AIDS problem in Ranong was particularly worrying as 50 per cent of the high-risk group—fishermen—are Burmese who spend a month at sea and go ashore for seven days before returning to sea again. During this seven-day rest period, fishermen often go to brothels and risk contracting the disease. Many of the prostitutes in the province are also Burmese and they have a high rate of AIDS infection, Dr Thira said.

In an effort to control the disease in the province the department is consulting the Ranong Province Committee on AIDS—comprising the governor, the district officers and other senior provincial offcials—to establish urgent prevention and control measures.

Dr Thira said that at a meeting with the provincial committee today he would propose that the Immigration Department set up facilities to conduct AIDS tests on people crossing the border between Ranong and Victoria Point in Burma.

He said he had contacted the Burmese government through the Medical Association of Burma and UNICEF to cooperate in AIDS prevention.

Vietnam

British Company Begins Drilling Off Da Nang

BK0711033490 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 12 Oct 90 pp 1, 3

[P.V. report]

[Text] On 22 September, the British company BP (British Petroleum Exploration) began the first drilling off Da Nang as part of its survey program. Code-named 119-Dolphin-IX, the drilling was located 165 km southeast of Da Nang, some 62 km from the coast, and 266 meters deep.

The drilling was conducted by the Neddrill 2 drill ship of a Dutch company under a contract with BP. Owing to the fairly great depth, ordinary anchor-equipped ships could not be used for the operation. Instead, the service of specially designed Nedrill 2, called a statodynamic ship because it uses a system of propellers to keep it in place during the drilling, was required.

BP will make a second drilling in the same area according to its plan, which was based on the results of the analysis carried out during several months in London of the data collected from magnetic recordings of seismological surveys conducted 6,200 km off Da Nang in June and July 1989 by a Norwegian ship of the Geco Seismological Company.

On 16 December 1989, BP signed a contract with the Vietnam General Department of Oil and Gas for oil and gas exploration and exploitation off Da Nang. Immediately after the signing, along with opening a representative office in Ho Chi Minh City, BP urgently carried out seismological surveys in the area agreed upon in the contract.

BP also does business in food (BP Nutrition)—by engaging in activities such as aquatic products farming and processing, livestock breeding—and in oil production (BP Oil). At present, BP Oil is holding talks with Vietnam on the bottling of liquefied gas for home use.

Vatican Group Arrives To Discuss Relations

BK0711161290 Hong Kong AFP in English 1134 GMT 7 Nov 90

[Text] Hanoi, Nov 7 (AFP)—A Vatican delegation arrived here Wednesday for a visit aimed at smoothing relations between the Roman Catholic Church and Vietnam, diplomatic sources here said.

The delegation, led by Roger Cardinal Etchegaray of France, will discuss the nomination of new archbishops in Hanoi and Ho Chi Minh City (formally Saigon) and of other bishops to five vacant dioceses, the sources said. The nominations, which must be approved by the ruling Communist Party, have become a sticking point between Hanoi and the Vatican. Other discussions will centre on relations between the government and Vietnam's Roman Catholic Community, officially put at six million people and which is one of the most important in Asia.

Cardinal Etchegaray is being accompanied by Monsignor Claudio Celli, a diplomat with the Vatican State Secretariat specialising in the role of the Roman Catholic Church in communist countries.

Hanoi recently put under house arrest a priest and a lay Roman Catholic in Ho Chi Minh City for "activities against the socialist government." Despite a relaxation on religious practice over the last few years, the church remains closely monitored. Relations became strained in June 1988 when the Vatican cannonised 117 foreign and Vietnamese martyrs from the 18th and 19th centuries, who Hanoi said had been involved in a foreign plot to colonise the country.

This is Cardinal Etchegaray's third visit to Vietnam, after trips in July 1989 and in May to attend the funeral of the archbishop of Hanoi, Joseph Marie Cardinal Trinh Van Can. The nomination of Cardinal Can's successor and of the elderly Archbishop Nguyen Van Binh of Ho Chi Minh City, as well as the selection of five new bishops, has long been a subject of debate between the Vatican and Hanoi. "There are differences, but a solution can be found," Nguyen Van Sang, the acting bishop of Hanoi, said in May.

Vo Chi Cong Receives New Egyptian Ambassador

BK0711160790 Hanoi VNA in English 1456 GMT 7 Nov 90

[Text] Hanoi VNA November 7—State Council President Vo Chi Cong today received the new Egyptian ambassador to Vietnam, Mustafa Hasan Abu-Sunayf, who paid him a courtesy visit.

Envoys Pay Farewell Visits to Vo Chi Cong

BK0711162290 Hanoi VNA in English 1454 GMT 7 Nov 90

[Text] Hanoi VNA November 7—Rangsan Phahonyothin and Aye Kyaw, respectively Thai and Burmese ambassadors to Vietnam, today paid farewell visits to Vietnamese State Council President Vo Chi Cong before leaving here for home for new assignments.

Hanoi Increases Industrial Products for Export

BK0711151290 Hanoi VNA in English 0707 GMT 7 Nov 90

[Text] Hanoi VNA November 7—In the first nine months of 1990, Hanoi industrial service exported 13.12 million rubles and 1.3 million U.S. dollars worth of commodities, accounting for almost half of its total export value.

Hanoi's exports including bath towels, table towels, knitwear, footwear, wood furniture and K-112A drilling machines have been mainly exported to the Soviet Union and Eastern European countries.

To make their products ever more competitive in the world market, Hanoi is trying to invest in improving its industrial establishments and engage in new modes of production and management.

Official Announces Electricity Price Increase

BK0811032590 Hanoi Domestic Service in Vietnamese 1430 GMT 6 Nov 90

[Text] According to a Voice of Vietnam correspondent, a news conference was jointly held this afternoon by the Ministry of Energy and the State Price Commission to announce new prices of electricity. At the press conference, Comrade Nguyen Tam, vice chairman of the State Price Commission, read the decision of the commission. The contents of the decision are as follows:

—Electricity for production or daily life activities is sold at the price of 230 dong per kilowatt-hour to all sectors belonging to various economic components and administrative units, as well as to cadres, workers, civil servants, members of the Armed Forces, those who are entitled to various social policies, and the people.

—Electricity for production or daily life activities is sold at the price of 500 dong per kilowatt-hour to all business, trade, and service sectors, as well as for production and daily life activities by foreign nationals belonging to Sector I.

—A flat rate of 92 dong per kilowatt-hour is applied to all electric water pumping stations belonging to various economic components throughout the country for night operations in support of agricultural production.

Regarding the reasons for increase in the prices of electricity, Comrade Nguyen Tam explained that due to the high price of diesel oil, it is necessary to ensure sufficient operating costs with the aim of preventing shortfalls in the payment of electricity bills and creating favorable conditions for the construction and development of electric energy in the central part of the country, while ensuring a balance between the development of electricity and coal.

Also at the news conference, a representative of the Ministry of Finance disclosed that the state will readjust the rate of compensation for the increase in the price of electricity for cadres, workers, civil servants, and members of the Armed Forces as well as for those entitled to various social policies. Compensation for increase in the price of electricity is still based on the seven pay scales and the rate of compensation is 189 dong per kilowatt-hour against 41 dong per kilowatt-hour in the past.

Friendship Association Holds Get-Together

BK0711162390 Hanoi VNA in English 1442 GMT 7 Nov 90

[Text] Hanoi VNA November 7—A get-together was arranged here on November 6 jointly by the Vietnam-USSR Friendship Association, the national daily NHAN DAN and the Vietnam Red Cross in honour of the 73rd anniversary of the October Socialist Revolution (November 7).

Among those present were Dang Huu, member of the Communist Party of Vietnam Central Committee and president of the Vietnam-USSR Friendship Association; Ha Dang, editor-in-chief of NHAN DAN; and Professor Doan Xuan Muou, vice president of the Red Cross.

A.S. Varonie, minister counsellor of the Soviet Embassy and the visiting delegation of the Soviet-Vietnamese Friendship Society headed by I. Sokolov, member of the USSR Supreme Soviet, attended.

On the occasion, a token hand-over of activated charcoal produced from coconut shells was made to the Soviet side for medical treatment of Chernobyl victims.

The Pushkin Sub-Institute of Russian in Hanoi has presented awards to students of distinction of the Russian Language Department in celebration of the October Revolution (73rd anniversary).

Debate on Army Depoliticization, Part 2

BK0711053290 Hanoi Domestic Service in Vietnamese 2330 GMT 1 Nov 90

["Part two" of article by Lieutenant Colonel Le Quang in November 1990 issue of TAP CHI QUOC PHONG TOAN DAN on the nature of the "so-called" depoliticization of the Army]

[Text] The growth and triumph of the army of the socialist state is inseparable from the correct leadership of the Communist Party, from the nurturing and organizational guidance of the socialist state, and from the care and assistance of the people. The nature of the army of the socialist state is a concentrated and unified dialectical reflection of its proletarian class character and its popular character. This cannot be found in any armies of any states or societies with class confrontation. The composition, organizational principles, and operating purposes of the socialist state army reflect the general goal of the interests between the class and the nation and between the nation and the world. They show that the army, as a political instrument of the state, has its people-serving character,

The complex political situation is creating many heavy duties for our army. First, we must stand firm on our class stance in effectively protecting Marxism-Leninism, the socialist regime, the Communist Party, and the socialist state. Now more than ever before, we must be imbued with President Ho Chi Minh's advice to be loyal to the country and the party and faithful to the people. We must concern ourselves with those law-abiding issues in building a comprehensively steadfast army, increasing the positive and dynamic role of the entire system in order to intensify the party leadership and consolidate systematic confidence in the communist ideal, enhance socialist awareness, heighten vigilance, maintain a high sense of combat readiness, and accurately distinguish friends from foes. Second, we must be politically sensitive and formulate measures to counter all imperialist schemes and tricks and prevent the influence of rightist opportunism. In the immediate future, to counter the influence of those tendencies to depoliticize the army, it is necessary to concentrate on resolving the following urgent issues:

1. Continue to systematically study the source and political motive of the tendency to depoliticize the army so as to further expose its politically nonsensical and reactionary character. Specific attention must be given to the relations between this tendency and the system of other fundamental tendencies, to finding out through theory and practice the meeting point between the imperialists' schemes and the new right-leaning opportunists' antisocialist actions in the new situation, to studying all developments of the situation in order to anticipate the course of development of the armies of those countries under the influence of the tendency to depoliticize the army, and to adopting systematic methods to head off its impact on our country and our army.

2. Continue to enhance the party leadership over the army on the basis of analyzing army leadership experience, relying on the actual situation at present in order to perfect the system of party leadership over the army. We must scrupulously resolve the relations between the system of one-man leadership and the system of leadership by party organizations and between the role of political cadres and the party and political tasks. We must find out those irrationalities which may affect the communist party's influence over the army or those possible negligences which occurred when we applied in our country without being selective the experience obtained by the armies of our fraternal countries.

3. Under various forms, we must make our entire party, people, and army fully aware of the schemes of the imperialists and of the right-leaning opportunistic forces aimed at undermining the socialist armed forces ideologically and organizationally. Ideologically, they are now trying to raise among cadres and combatants a doubt about the truism discovered by Marxism-Leninism, sow the feelings of class compromise, do away with the class struggle, deny the superior nature and the gains of realistic socialism, hail capitalism, and promote an appetite for capitalist society. Organizationally, they concentrate on depriving the Communist Party of its right to lead the army, dissolving political organs, laying off political cadres, discarding party organizations in the army, gradually removing battle-tested and politically-steadfast generals, officers, and men from important positions, step by step alternating the patterns under which troops are recruited and policies are drawn in order to suit a career army, gradually creating appropriate situations for achieving an alliance with the armies of various capitalist states.

As for our army, to prevent this in advance, it is strictly necessary to oppose all acts of ideological and organizational sabotage from grass-roots units to the entire armed forces.

Fourth, we must regularly change and effectively apply the contents, methods, and forms of political and ideological indoctrination for cadres and combatants. At present, the enemy is taking advantage of the crisis in the socialist countries as well as the loopholes and errors in the process of reform or restructuring to undermine us on the ideological front. In view of this, we must acquire a profound understanding of the importance of work related to political and ideological indoctrination. Meanwhile, we must further intensify the profundity of theoretical viewpoints and obtain scientific bases and vivid realities at present for the persuasion of man in political indoctrination.

The results and quality of political and ideological indoctrination at present must be evaluated, first of all, from the role of education in fortifying faith in Marxism-Leninism and socialist realism. We must admit that it is the party's leadership that plays a decisive role in the growth and victories of the army.

Meanwhile, due to the development of the object of indoctrination and the impressively sophisticated acts of ideological sabotage by imperialism, we must uniformly apply various contents and methods to exert effect on the object of indoctrination. Under the present situation, a unit cannot perform politically- and ideologically-oriented work if that unit merely resorts to the use of simple political lectures, as this would impair or weaken the efficiency of political and ideological indoctrination.

It is necessary to devise a system of indoctrination in a way that can have an effect on cadres and combatants through the results of scientific research, as well through the press, literature, and art. We must also overcome dogmatism and the application of simple and clumsy contents and methods, while imposing political viewpoints and developing independence in thinking to a high degree when orientations on principles have been determined in order to establish faith and viewpoints.

In short, the army is a sociopolitical phenomenon. Since it was founded as well in the process of its existence, the army has always attached itself closely to politics. In other words, the army is the offspring of politics. Therefore, it has always carried the hot blood of politics. The fate of the army must still be bound to politics as long as it exists.

It is the nature, however, of class politics that is the matter of concern. Certainly, the political content and character of the army of a state built on a social system in which class antagonism exists basically differ from those of the army of a socialist state. It is the socioeconomic structure directly under the state that will decide that difference. Therefore, on the one hand, we cannot deny the objective existence of the relationship between the army and politics and cannot believe in the trick of depoliticization of the army. On the other hand, we must have specific historical viewpoints to brilliantly analyze the relationship between the army and politics so as not to entertain any illusion toward that concept of deception.

Law on Criminal Procedures Amendments Covered

BK0811045590 Hanoi NHAN DAN in Vietnamese 12 Jul 90, pp 3, 4

["The Law on Amending and Supplementing Some Provisions of the Law on Criminal Procedures"; all numbering as published]

[Text] Pursuant to Article 100 of the Constitution of the Socialist Republic of Vietnam and Article 34 of the Law on Organization of the National Assembly and the Council of State, on 7 July 1990, Vo Chi Cong, chairman of the Council of State, signed an order promulgating the Law on Amending and Supplementing Some Provisions of the Law on Criminal Procedures, which was adopted by the National Assembly of the Socialist Republic of Vietnam on 30 June 1990.

Pursuant to Article 83 of the Constitution of the Socialist Republic of Vietnam;

This law amends and supplements some provisions of the Law on Criminal Procedures, which was adopted by the National Assembly of the Socialist Republic of Vietnam on 28 June 1988.

Article 1: Some Provisions of the Law on Criminal Procedures are hereby amended and supplemented as follows:

1. In Articles 20, 28, 42, 159, 166, 174, 184, 191, 198, 203, 205, 217, 218, 249, and 263, the phrase "legal rights and interests" is replaced by the phrase "interests and obligations."

2. Item 3, Article 29 on the power to propose replacement of persons conducting legal proceedings, is amended and supplemented as follows:

3. Defenders, custodians of the interests of the injured parties, civil plaintiffs, and civil defendants.

—Point D of Item 1, Article 62 on temporary detention of the accused or defendant is amended and supplemented as follows:

D. Chiefs and deputy chiefs of public security offices at the district level; heads and deputy heads of investigative organs at the provincial level and up; and heads and deputy heads of investigative organs at all levels in the People's Army. In these cases, the arrest warrant must be approved by the organ of control at the same level before it is executed.

4. Points B and C of Item 1 and Points A and B of Item 2, Article 63 on emergency arrest are amended and supplemented as follows:

B. When the victim or person present at the scene of the crime see him with their own eyes and confirm he is the one who committed the crime and it is deemed necessary to immediately prevent him from escaping;

C. When there are traces of evidence of a crime on the person of the suspect or in the residence of the person suspected of having committed a crime and it is deemed necessary to immediately prevent him from escaping or destroying evidence.

2. The following persons are empowered to issue warrants of arrest in case of emergency:

A. Chiefs and deputy chiefs of public security offices at the district level; heads and deputy heads of investigative organs at the provincial level and up; and heads and deputy heads of investigative organs at all levels in the People's Army;

B. Commanders of independent military units at the regimental or equivalent level, and commanders of border defense posts on offshore islands or at the border.

5. Item 2, Article 68 on temporary custody is amended and supplemented as follows:

2. The persons empowered to issue warrants of arrest in case of emergency as stipulated in Item 2, Article 63 of this law are empowered to issue an order for temporary custody.

6. Item 6, Article 69 on period of temporary custody is amended and supplemented as follows:

2. If need be, the organ issuing an order for temporary custody may extend the period of temporary custody but by not more three days. In special cases, the organ issuing an order for temporary custody may extend the period of temporary custody for a second time, but also not more than three days. All extensions of the period of temporary custody must be approved by the organs of control at the same level.

7. Item 1, Article 70 on temporary detention is amended and supplemented as follows:

1. Temporary custody may be applied to an accused or defendant who committed a crime in a serious case, or to an accused or defendant charged with crimes subject to more than 1 year of imprisonment as stipulated by the Penal Code, and there are grounds to believe that he may evade or obstruct investigation and adjudication or continue to commit crimes.

8. The title of Article 93 and Items 2 and 3 of this article on investigative authority of border defense troops, customs, and forest management are amended and supplemented as follows:

Article 93: Investigative authority of border defense troops, customs, forest management, and other organs of the People's Police Forces, the People's Security Forces, and the People's Army entrusted with the task of conducting some investigative asctivities.

2. In the People's Police Forces, the People's Security Forces, and the People's Army, aside from the investigative organs stipulated in Article 92 of this law, other organs entrusted with the task of conducting some investigative activities while performing their duties are empowered to do the following, if they discover signs that a crime has been committed: to initiate legal proceedings, conduct initial investigative activities, and transfer the file to a competent investigative organ within 7 days from the day the decision to initiate legal proceedings is issued.

3. The specific duties and authority in investigative activities of border defense troops, customs, forest management, and other organs of the People's Police Forces, the People's Security Forces, and the People's Army entrusted with the task of conducting some investigative activities are stipulated by the Council of State.

9. Point a, Item 3, Article 141 on the duties and authority of the Organ of Control over investigative activities are hereby amended and supplemented as follows:

a. Control initiation of legal proceedings, self-initiate legal proceedings in a criminal case and transfer the case to an investigating agency to request that an investigation be conducted; and to directly investigate under the circumstances stipulated in Item 3, Article 92 of this code.

10. Point 2 of Item 1, and Item 2 of Article 142 on decisions made by the Organ of Control after conclusion of its investigation are hereby amended and supplemented as follows:

When necessary, the head of the Organ of Control may call for a postponement but not in excess of 30 days.

2. After receiving a court file, the Organ of Control is empowered to decide to apply, change, or cancel measures of restraint. The period of temporary detention shall not exceed that stipulated in Point 1, Item 1 of this article. When necessary, the head of the Organ of Control may call for a postponement but not in excess of 30 days.

11. Point 2, Item 2 of Article 151 on the time period of adjudicative preparation is hereby amended and supplemented as follows:

For complex cases, the presiding judge of the court may decide to extend the period of adjudicative preparation but not by more than 30 days.

12. Article 152 on application, change, or cancellation of measures of restraint is hereby amended and supplemented as follows:

After receiving a court file, the court is empowered to decide on the application, change, or cancellation of measures of restraint. The application, change, or cancellation of temporary detention measures is decided by the presiding judge or deputy presiding judge of a court at the same level.

The period of temporary detention for adjudicative preparation shall not exceed the period of adjudicative preparation provided for in Article 151 of this law.

In case the accused is being temporarily detained and in case a court hearing has been scheduled to open after the period of his temporary detention has expired, the court may order his temporary detention to be continued until the court hearing is over.

13. Point 1 of Article 205 on persons with the right of appeal is hereby amended and supplemented as follows:

A defendant, injured party, or lawful representative of an injured party has the right to appeal the verdict or decision of a preliminary trial.

14. Point 1 of Article 208 on the time limit for appeal or protest is hereby amended and supplemented as follows:

The time limit for an appeal or protest is 15 days from the day the judgment was pronounced. If the court has prosecuted the case in absentia, the time is calculated from the day a copy of the judgment is delivered to the party concerned or the day it was posted.

The time limit for a protest by the Organ of Control at the same level is 15 days, by a next-higher Organ of Control is 30 days, counting from the date on which the judgment is pronounced.

15. Article 215 on the time limit for appellate adjudication is hereby amended and supplemented as follows:

"The people's court at the provincial level or the military court at the military region level shall hold an appellate hearing within a period not in excess of 60 days; the high-level military court, the appellate court, or the supreme people's court shall open an appellate hearing within a period not in excess of 90 days, counting from the date of receipt of the court file."

16. Point 2 of Article 217 on appellate hearing participants is hereby amended and supplemented as follows:

2. The defender, person lodging the appeal, and persons with lawful rights and interests relevant to the appeal or protest must participate in the hearing; if absent for a legitimate reason, the board of jury may go ahead with the hearing but it shall not hand down any verdict or decision in disfavor of the accused; if the defender is absent for other reasons, the hearing shall be postponed.

The period for postponement of the hearing, as stipulated in Points 1 and 2 of this article or by Articles 30, 31, and 33 of this law, shall not exceed 30 days, counting from the date of issuance of a decision on the postponement of the hearing.

17. Point 1 of Article 232 on temporarily suspending a prison sentence is hereby amended and supplemented as follows:

1. In accordance with the suggestions of the organ of control or jail supervisory board, the presiding judge of the court handing down the sentence may temporarily suspend the sentence of a convicted person who is not dangerous under the circumstances stipulated in Article 231 of this law. A temporary suspension for adjudication in accordance with appellate procedures will be decided by a court at the next higher level.

18. Item 1 of Article 238 on procedures for reducing the length of or waiving a sentence are amended and supplemented as follows:

1. Courts empowered to decide on reducing the length of a prison sentence are people's courts at the provincial level and military courts at the military region level where the convicted person is serving his sentence.

Courts empowered to decide on exempting a prison sentence or reeducation sentence to be carried out at army correctional centers are people's courts at the provincial level and military courts at the military region level where the convicted person resides or works.

Reducing or exempting other sentences or waiving a period of probation fall under the jurisdiction of people's courts at the district level and military courts in the area where the convicted person is serving his sentence or is under probation.

19. Article 247 on the time limit for appeals is supplemented as follows:

3. Civil appeals relevant to criminal cases filed by civil plaintiffs, civil defendants, and persons with lawful rights and interests relevant to a case shall be handled according to the law on civil procedures.

20. Article 265 on the time limit for appeals for retrial is supplemented as follows:

3. Civil appeals relevant to criminal cases filed by civil plaintiffs, civil defendants, and persons with lawful rights and interests relevant to a case shall be handled according to the law on civil procedures.

Article 2: Some new articles are supplemented as follows:

1. Article 42a. The defender of the rights of the party involved.

1. The injured parties, civil plaintiffs, civil defendants, and persons with lawful rights and interests relevant to a case have the right to ask lawyers, people's defense counsels, and other persons approved by the investigating agency, organ of control, or court to protect their rights.

2. The defender is entitled to the right to participate in the legal proceedings from the time they are initiated against the accused or defendant.

3. The defender has the right to present evidence and make requests, to read the case files and make note of essential items after the investigation is concluded, to participate in questioning and arguments during the trial, and to complain about the decisions of the organ conducting the legal proceedings. The defender of the injured parties, civil plaintiffs, and civil defendants is entitled to request the replacement of persons conducting the legal proceedings, experts, and interpreters in accordance with the stipulations of this code.

If the accused is a minor or is physically or mentally incompetent, the defender has the right to be present during interrogation of the accused, or to complain about court decisions relevant to the defendant's interests and obligations.

4. The defender has an obligation to resort to all measures prescribed by the law to clarify details about the truth of the case, and to provide legal assistance for the accused to protect his legitimate interests and obligations.

2. Article 168a: Time limit for postponment of a court trial.

In case a court trial must be postponed according to Articles 30, 31, 33, 162, 164, 165, 166, 167, and 168 of this code, the time limit for postponement of a preliminary trial must not exceed 30 days from the date the decision on postponement of the trial is made.

3. Article 215a: Decision to enforce, change, or cancel measures of restraint by a court at the preliminary trial level.

Following reception of the case files, a court at the preliminary trial level has the right to enforce, change, or cancel measures of restraint.

The period of temporary detention cannot exceed the time limit prescribed by Article 215 of this code.

When the period of temporary detention expires on the date the trial begins, if need be, the court will issue an order nullifying the time limit for temporary detention until the trial is concluded.

This code was passed by the seventh session of the eighth National Assembly on 30 June 1990.

Signed: Le Quang Dao, chairman of the National Assembly

Fiji

Forum Rejects French Claims on Nuclear Tests

BK0811074490 Hong Kong AFP in English 0625 GMT 8 Nov 90

[Text] Suva, Nov 8 (AFP)—The 15-nation Pacific Forum has rejected claims by France that the forum is softening its opposition to French nuclear testing in the region.

Forum Secretary-General Henry Naisali said here late Wednesday its concern over the environmental impact generated by France's nuclear testing was still very much apparent. He added that the forum's concern over nuclear testing was not new and its preoccupation with the safety of the tests was growing, contrary to French claims.

Mr. Naisali said the forum's position had been expressed to Philippe Baude, who led a French delegation to the 21st forum assembly in Vanuatu in August. A report by Mr. Baude to President Francois Mitterrand on Tuesday said the omission of any reference to opposition to French nuclear testing from the forum communique was "a clear enough" indication that relations between Paris and forum countries was entering a new phase.

While the communique did not specifically register a condemnation of France's 25 years of nuclear testing at Moruroa and Fangataufa Atolls it made a reference to it in section 27 of the resolutions. It stated that the forum heads of governments had declared that the Pacific Ocean and the islands in it should not continue to be used "as a convenient area for the development, storage, dumping or disposal of hazardous materials, including chemical weapons, particularly from outside the region."

Tonga's Foreign Minister Crown Prince Tupouto'a said at the forum meeting that it was not as critical of the United States incinerating chemical weapons at Johnston Atoll as it was of Paris. This was because the "French were testing weapons and the Americans were destroying them".

Mr. Naisali said the forum had also raised concern over the ratification by France of the South Pacific regional environmental protection treaty in July.

The French Ambassador to the South Pacific Henri Jacolin, however, had earlier told AFP that France, in ratifying the treaty for its three Pacific territories, excluded nuclear explosion experiments from its commitments.

Soviets Said Ready To Negotiate Pacific Change

BK0811023090 Hong Kong AFP in English 1903 GMT 7 Nov 90

[Text] Suva, Nov 7 (AFP)—A Soviet expert on the Pacific warned in an interview published here that Moscow's attitude to political change in the North Pacific is still influenced by the United States' military interests.

Moscow academic Viktor Vrevsky told the November issue of ISLANDS BUSINESS, published this week, that the Soviet Union is ready to negotiate political change, but must get something in return.

He said the end of the cold war could result in Moscow's approval of free association compacts between the United States on one side and the Marshalls and the Federated States of Micronesia (FSM) on the other. But he said: "We cannot ignore certain facts about the Micronesian region that are not conducive to a change in the Soviet position."

These facts, he said, were:

—The Kwajalein missile range in the Marshalls, which is playing a key role in development of space weapons in the "Star Wars" program.

—A 10-year dispute between the people of Palau and the United States over the Palau Constitution banning nuclear weapons and a proposed compact of free association which would allow nuclear weapons in.

—The possibility that islands in Micronesia could play a small but important role in any fallback of the United States military from the Philippines.

Mr. Vrevsky, head of the South Pacific Studies Department of the Soviet Academy of Sciences in Moscow, was speaking during his first visit to Guam and to Pohnpei, capital of the FSM.

He said Moscow "appreciates that the Micronesian countries are oriented toward Western values. We're not going to change that and we're not interested to. The area is stable and it is OK with us. We don't want more conflicts."

But if the Soviet Union was to forgo its veto in the United Nations Security Council to allow changes in the political status of American-affiliated islands, Washington had to respond by giving something in return. Moscow, he told the magazine, was not interested in relations in the South Pacific merely to wave the flag. Any Soviet relations with smaller islands in the region would almost certainly be economic and even then would have to be "money makers", Mr. Vrevsky said.

The United States has said the United Nations trusteeship status for the Marshalls and the FSM ended when "compacts of free association" came into effect in 1986. But the compacts, which have given Washington military authority over the North Pacific region, have not been acknowledged by any U.N. action. Such action is required by the terms of Micronesia's unique "strategic trust" agreement to terminate the trust which dates back to 1947.

The Marshall Islands has complained that the lack of formal U.N. action has resulted in European nations refusing to recognise the North Pacific islands as politically independent.

France and Britain have said their ties to these islands would remain unofficial until their political status clears United Nations hurdles.

But Mr. Vrevsky told ISLANDS BUSINESS: "If we move on Micronesia, we expect the U.S. to make certain moves in the region (for us). "Academics recognise there is no reason to be stubborn to maintain our position in the Security Council. But it is a two-way process."

The United States and the Soviet union should "negotiate" the matter in an informal manner, he said.

Opposition Reacts To Ban on Gareth Evans' Visit

BK0511075890 Melbourne Overseas Service in English 0500 GMT 5 Nov 90

[Text] The leader of Fiji's opposition coalition, Adi Kuini Bavadra, has criticized the interim government for rejecting a proposed visit to Suva by Australia's foreign affairs minister, Senator Gareth Evans. The interim prime minister, Ratu Sir Kamisese Mara, said last week Senator Evans was not welcomed because of criticisms by the foreign minister of Fiji's new Constitution.

He claims Senator Evans position reflected the views of the Fiji coalition which has condemned the constitution and did not match a more conciliatory approach taken by the prime minister, Mr. Hawke.

Adi Kuini said Australia had a real role to play in the region, and she described the ban as negative and counterproductive.

Opposition Challenges Government on Constitution

BK0711073190 Melbourne Overseas Service in English 0500 GMT 7 Nov 90

[Text] Fiji's opposition coalition has challenged the government to put the newly promulgated Constitution to a referendum. The opposition leader, Adi Kuini Bavadra, said this would determine who has the popular support—the government or the coalition. She was responding to a claim by the minister for information, Ratu Inoke Kubuabola, that the opposition was what he called a toothless tiger lacking support.

Adi Kuini accused the interim administration of being frightened of a democratic process. She said it had canceled local and provincial elections because it was scared of putting its support to the test.

New Zealand

Lange Says Government Sabotaging Gulf Mission

BK0811013390 Hong Kong AFP in English 1909 GMT 7 Nov 90

[Text] Wellington, Nov 7 (AFP)—Former New Zealand Prime Minister David Lange accused the government here Wednesday of trying to "sabotage" his hostage rescue mission in Iraq. Mr. Lange, currently in Amman, Jordan, prior to going to Iraq in an attempt to gain the release of 17 New Zealand hostages, said in a statement released here that the new National Party government had cut his communications links with Wellington.

Mr. Lange said government had seen fit to cut off the telephone to his office and remove the facsimile machine, "thereby making it impossible to contact (my) staff".

He said he had expected the national government to endorse his mission, and had not anticipated "this sabotage".

But a spokesman for Prime Minister Jim Bolger denied there was any conspiracy in the cut to phone lines. He said 97 members of parliament were moving offices because of the change of government, and the move was being handled by the parliamentary services commission and had nothing to do with the government.

Mr. Lange has not lost his ability at one liners however. Asked in an interview whether it was dangerous to be in Iraq, he replied: "No more than a Labour Party caucus."

Government Announces Record Trade Deficit

BK0811055390 Hong Kong AFP in English 0401 GMT 8 Nov 90

[Text] Wellington, Nov 8 (AFP)—New Zealand posted a record balance of payments deficit in the year to June of 4.27 billion New Zealand dollars (2.63 billion U.S.), the government said Thursday. The annual deficit surpassed the previous record of 4.19 billion dollars (2.57 billion U.S.) in the year to March 1986, government statistician Steve Kuzmicich said.

The provisional current account for the June quarter was in deficit by 643 million dollars (395 million U.S.), compared with 540 million dollars (332 million U.S.) in the same period a year ago.

Contributing to the latest June quarter deficit was a deficit in invisibles of 1.48 billion dollars (912 million U.S.), which more than offset a merchandise trade surplus of 841 million dollars (517 million dollars).

Papua New Guinea

Defense Minister Asks Indonesia for Small Arms

BK0611120890 Hong Kong AFP in English 0720 GMT 6 Nov 90

[Text] Port Moresby, Nov 6 (AFP)—Papua New Guinea has asked Indonesia to provide its Armed Forces with small arms, uniforms and co-operation in civic action programs, Defence Minister Benais Sabumei said.

Mr. Sabumei explained Monday that the government had approved a policy to diversify defence relations with Southeast Asian countries. It would soon sign a memorandum of understanding with Malaysia as a prelude to a defence co-operation agreement, he said.

The purpose of involving Jakarta in joint civic action was to help "dismantle the psychological fear of Indonesia held strongly by many of our leaders and people."

Mr. Sabumei said he made the offer during a courtesy call on his Indonesian counterpart General Benny Murdani in Jakarta last week. Since they shared an 800 kilometre (500 mile) border, Papua New Guinea and Indonesia's military personnel must co-operate and have greater understanding, he said.

He had been assured by Gen. Murdani that his government would give serious consideration to the invitation, he said.

(Mr. Murdani said in Jakarta Monday he had suggested joint border patrols to help defeat the Free Papua Movement seeking independence in Indonesia's province of Irian Jaya, the western half of the island of New Guinea).

Mr. Sabumei also announced that the Indonesian Chief of the Armed Forces General Try Sutrisno would make an official visit to Papua New Guinea in December.

Papua New Guinea's defence forces have been fighting secession-seeking militants on Bougainville and Buka Island off Bougainville since November 1988.

Cabinet Approves Move To Widen Defense Ties

BK0511085490 Melbourne Overseas Service in English 0500 GMT 5 Nov 90

[Text] Papua New Guinea is to widen its defense links with Southeast Asian countries. The cabinet has approved a plan by the defense minister, Mr. Benais Sabumei, to step up defense relations with countries in that region. Mr. Sabumei said Papua New Guinea already had defense associations with Australia, New Zealand, the United States, and Britain, and there was no better way of creating greater understanding between his country and Indonesia.

Papua New Guinea's national radio said the nation's defense force may receive assistance from the Indonesian Armed Forces in its action program next year.

Government Forces Budget Through Without Debate

BK0711095290 Hong Kong AFP in English 0840 GMT 7 Nov 90

[Text] Port Moresby, Nov 7 (AFP)—The Government of Papua New Guinea rammed its 1991 budget through parliament without debate Wednesday, then forced a vote to close the legislature for eight months. On Tuesday, Prime Minister Rabbie Namaliu had tried to head off a no-confidence motion by warning parliament that "political instability" was scaring away foreign investors.

After parliament voted to adjourn until July 26, opposition leader Paias Wingti accused the government of running away from the no-confidence motion which had been expected late Wednesday or Thursday. "This government is denying the checks and balances of the Westminster system," Mr. Wingti told reporters.

The second and third readings of the finance bill were adopted by voice vote soon after Finance and Planning Minister Paul Pora had presented his 1.310 billion kina (1.43 billion dollar) budget. In the past, the government has allowed three to four weeks debate on its budget.

Described by Mr. Pora as "good and well-balanced," the budget aimed to encourage private sector activity and predicted an interest in economic growth based on mining activity. It introduced a total of 13 new revenue-raising measures, while eliminating excise duty on 344 import items and sharply cutting fees on foreign workers.

Luxury imports and goods competing with local produce will carry an extra 15 per cent purchase tax.

The government expects to lose 14 million kina from excise duties, which were as high as 50 per cent on some products, but it hopes to recoup five million kina from a three per cent tax on the sale of manufactured products.

The cut in work permit fees, from 500 kina to 10 kina per year, could cost the state 1.5 million kina, Mr. Pora said.

On the other hand, revenue of seven million kina is expected from increased duty on beer, spirits and cigarettes, from higher departure taxes and business withholding tax. Bans on certain imported goods will be lifted, but the goods will carry high duty to protect local produce.

Total reveue from taxation is estimated at 322 million kina, customs and excise at 336 million, assets at 71 million, loan service receipts 35 million, departmental revenue at 62 million and external grants at 244 million kina.

Expenditure is budgeted at 1.3 billion kina, an increase of 60 million on the current year. Social services spending will rise from 347 million to 367.5 million kina, economic infrastructure from 119.8 to 141.6 million, and grants to the provinces from 104 to 122.3 million.

The budget shows a slight decline in debt servicing, from 254 million to 253.3 million kina, while spending on administration and general services will drop from 113.8 to 110.3 million kina.

Mr. Pora said that, despite the continued closure of the Bougainville copper mine, growth prospects were good because of increased activity at the Porgera and Misima gold mines.